

**RESOLUTION R16-21**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALOS VERDES ESTATES, CALIFORNIA, SETTING FORTH TERMS AND CONDITIONS OF EMPLOYEMENT WITH REFERENCE TO THE CLASSIFICATION AND COMPENSATION OF MANAGEMENT-ADMINISTRATION POSITIONS WITH THE PALOS VERDES ESTATES CITY SERVICE.**

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

SECTION 1.           TERM

          This Resolution shall cover the period commencing July 1, 2016 and ending June 30, 2017.

SECTION 2.           CLASSIFICATIONS

          This Resolution shall cover the following classifications:

Finance Director  
Planning and Building Director  
Public Works/City Engineer

SECTION 3.           COMPENSATION

3.1    Basic Salary Schedule.

- (a)    The schematic schedule of salary ranges listed constitutes the compensation plan.
- (b)    Salaries prescribed are monthly rates. In those positions where it is more appropriate to pay on an hourly or daily basis, the hourly and daily rates shall be shown.
- (c)    Salaries or compensation shall be payable for all positions in two equal bi-weekly installments.
- (d)    Monthly base salaries paid to represented employees shall be as set forth in Appendix "A". {Appendix A is attached}

### 3.2 Application of Compensation Plan.

The Salary Schedule for the respective classes of positions as set forth in Appendix "A 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 or rates of compensation are fixed on the basis of full-time service in full-time positions unless otherwise designated.
- (b) The rates of pay 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) Where a salary range for a given class is revised upward or downward, the incumbents of positions in classes affected shall have their existing salary adjusted to the same relative rate in the new range.
- (d) All monthly compensation shall be paid in even dollars rounded off to the nearest even dollar.
- (e) Provide performance based merit adjustments for meritorious personnel from a pool of available funding equal to 2% of unrepresented personnel salaries. The available funds will be approved by the direct supervisor with the concurrence of the City Manager for recognition of performance based on and through the standard evaluation process. Guidelines for recognizing performance for merit adjustments will be based on the following:

Personnel under top of range (meritorious of an adjustment) will receive a salary adjustment within the existing salary range.

One-time checks as "special compensation "will be provided to personnel (meritorious of an adjustment) at the top of the salary range.

Recognition for performance based merit adjustments from the pool of funds will typically be commensurate with the following scale:

0% for unsatisfactory performance  
1% for satisfactory performance  
2% for exceptional performance

- (f) Salary increases for any incumbent may be withheld if the supervisor so recommends, and the City Manager concurs.

### 3.3 Books and Tuition Reimbursement.

- (a) Employees who have worked for the City for two (2) years or more shall be eligible for reimbursement as follows: Reimbursement shall not exceed the resident tuition fee for seven (7) or more units charged by the California State University, Long Beach; and shall be payable for courses taken at an approved college or university upon completion of said course or courses with a final passing mark of "C" or better or the equivalent of "C" or better. Course or courses shall be related to the class of positions in which he or she is employed, and shall be approved by the City Manager prior to registration or enrollment. The City Manager shall determine what constitutes "course or courses related to class of positions".
- (b) The difference between tuition actually incurred and tuition charged by California State University, Long Beach, for seven (7) units or more shall apply to books purchased.
- (d) There shall be no tuition buy back.
- (e) Prior to enrollment in a course or courses, Employees who intend to submit future tuition reimbursement requests must complete FORM I, which is available through the Human Resources Department. FORM I must be approved by the City Manager prior to submission of any request for reimbursement. Upon approval of FORM I, reimbursement requests must be submitted on FORM II, which is available through the Human Resources Department.

### 3.3 Exempt Status.

- (a) Management-Administration employees shall be classified as "exempt." An exempt employee meets one or more of the duties test exemptions from overtime under the Fair Labor Standards Act (FLSA) and is paid on a salary basis, meaning he/she is compensated in a predetermined amount that is not reduced, regardless of quality or quantity of actual work performed. An FLSA-exempt employee is not entitled to overtime compensation.

### 3.4 Vehicle Allowance.

Management-Administration employees may each receive a vehicle allowance in the amount of up to \$375.00 per month.

### 3.5 Cellular Phone Allowance.

Management-Administration employees shall each receive a cellular phone allowance in the amount of up to \$60.00 per month.

SECTION 4. INSURANCES

4.1 Health and Life Insurance Benefits.

- (a) During the term of this Resolution, the following represent the maximum dollar cap the City will contribute on behalf of an employee toward the purchase of medical, dental, vision and life and accidental death and dismemberment, insurance programs and any amount in excess of the cap shall be the obligation of the employee:

Effective July 1, 2016	\$1,357
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- (b) The City shall make available to full time employees an Optical Insurance Program. The City shall pay 100% of the insurance premium for employees only. Dependent coverage shall be made available with 100% of the insurance premium paid by the employee.
- (c) The City shall make available to employees Deferred Compensation Plans. The City shall not contribute any amount toward any employee account of such plan. Employees may choose to make contribution to these plans (currently ICMA-RC 401a and a variety of 457 plans).
- (d) The City shall make available to full time employees a short and long term disability insurance program. The City shall pay 100% of the insurance premium.
- (e) Employees who thereafter, at the time of their termination from City employment, retire under the City's P.E.R.S. retirement program may continue individual coverage under the City's medical, dental, and vision plans, at the retiring employee's cost subject to the agreement and conditions of the carrier(s).

4.2 Medicare.

- (a) Employees hired by the City 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 other employees are required to participate in the Federal 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. RETIREMENT PROVISIONS

### 5.1 In-Service Retirement.

- (a) All Management–Administration members shall be covered by the Public Employees Retirement System's (PERS) "2% at 55" Plan. All Management-Administration members who are defined as “new members” under PEPRRA, are covered by the 2% @ 62 formula provided for by the Public Employees’ Retirement Law at Government Code section) 7522.25(d).
- (b) All members who are defined as “new members” under PEPRRA will be required to pay 50% of the normal retirement cost as determined by PERS, unless higher as required by PEPRRA. In no event may the City pay the required member contribution of a new member.
- (c) Management-Administration employees who are not “new members as defined by the Public Employees’ Pension Reform Act of 2013 (“PEPRRA”), will contribute the following percentages of compensation towards the statutorily mandated employee contribution to retirement:

Effective July 1, 2014:	4.0%	(City will pay EPMC <sup>1</sup> of 3%)
Effective July 1, 2015:	6.0%	(City will pay EPMC of 1%)
- (d) Unrepresented non-sworn and sworn staff increase and contribute 6% to PERS in FY 16/17 and receive an off-setting 2% adjustment in salary so personnel do not see a reduction in compensation. Salary ranges would be adjusted by 2% for the PERS off-set, however new employees hired after July 1 would not be eligible for the increase. Last year, the PERS off-set for increasing the employee’s contribution was a one-time stipend. Personnel were not pleased with this because the affect is a reduction in take-home pay in the subsequent year.
- (e) The PERS 1959 Survivor Benefit, Level C, shall be provided to all City employees who participate in PERS. All Management-Administration employees must contribute toward this benefit in collaboration with a contribution from the City.
- (f) All employee contributions on behalf of the employee shall be deposited in the member's retirement account.

### 5.2 Single Highest Year.

The City has contracted with PERS to provide the "single highest year retirement compensation formula." For new members as defined under PEPRRA, single highest year is inapplicable, and the three (3) year average shall be used.

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<sup>1</sup> Employer Paid Member Contribution (“EPMC”)

### 5.3 Retiree Medical Insurance.

The City shall pay a maximum of \$275 per month as a retiree health stipend to employees who retire pursuant to a service 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 tenure of COBRA 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. 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.

## SECTION 6. LEAVE PROVISIONS

### 6.1 Vacation.

- (a) Every full time employee shall be allowed vacation leave with pay at the rate of ninety-six (96) hours each year. Management- Administration employees shall each be allowed vacation leave with pay at the rate of ninety-six (96) hours each year for his/her first five (5) full years of employment, with forty (40) of those hours immediately credited as of the date of hire.
- (b) 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.
- (c) Earned vacation time shall not be accumulated beyond the year following the year which it is earned. At no time may an employee have a total balance of vacation days in excess of two times his or her current annual accrual rate.
- (d) Full time employees shall begin to accrue eight (8) additional hours of vacation following the completion of five (5) consecutive years in the City service, and eight (8) additional hours of vacation for each completed year of service beyond five (5) years, not to exceed a maximum of one hundred-sixty (160) hours per year.
- (f) An employee about to separate from City service due to resignation, retirement, lay-off or termination, and who has earned vacation to his credit, shall be paid for such full days of vacation remaining due on the effective date of such separation.
- (g) Holidays occurring during a vacation shall not be counted as a day of vacation.

6.2 Holidays.

- (a) The City of Palos Verdes Estates observes the following Holidays:  
JANUARY 1ST (NEW YEAR'S DAY),  
THE THIRD MONDAY IN FEBRUARY (WASHINGTON'S BIRTHDAY),  
THE LAST MONDAY IN MAY (MEMORIAL DAY),  
JULY 4TH (INDEPENDENCE DAY),  
THE FIRST MONDAY IN SEPTEMBER (LABOR DAY),  
NOVEMBER 11TH (VETERAN'S DAY),  
THANKSGIVING DAY, AND THE FRIDAY AFTER; AND  
DECEMBER 25TH (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. Holidays falling on an employee's regularly scheduled day off may not be credited.
- (c) After one (1) year in City service, employees shall be credited with three (3) floating holidays. Employees shall be permitted to accrue three (3) floating holidays for one (1) following the year in which earned, not exceed six (6) days.

6.3 Sick Leave with Pay.

- (a) Each full-time unit employee 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 an employee is sick and unable to report for work, the employee shall notify the appropriate supervisor of their inability to report for work as soon as possible.
- (c) No employee shall be entitled to receive any sick leave with pay until the employee has been continuously employed for a period of six (6) months. Upon satisfactory completion of this six (6) month period, the employee shall be credited with six (6) days of sick leave.

- (d) Sick leave shall not be considered as a right or privilege that the employee may use at the employee's discretion, but shall be granted only in case of a bona fide illness of an employee, child, parent, or spouse (a relative's illness). An employee 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 recommendation of the Department Head and approval of the City Manager. Immediate family shall include an employee's Mother, Father, Sister, Brother, Husband, Wife, 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 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 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 Supervisor 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, all Management-Administration employees shall be entitled to receive a payment of 75% of accumulated sick leave above 960 hours upon honorable retirement.

#### 6.4 Jury Duty.

All Management-Administration employees shall be eligible for a maximum of ten (10) working days of paid jury duty leave per calendar year.

#### 6.5 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 no employee may 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 an employee's termination, any Administrative Leave remaining for the year is forfeit; there is no compensation.
- (b) Management-Administration employees shall be afforded up to ninety-six (96) hours of Administrative Leave annually.

## SECTION 7. HOURS OF WORK

- (a) All employment and monthly compensation is based upon a forty (40) hour work week. Any authorization for an employee to work less than said 40 hours will be compensated in accordance with the Fair Labor and Standards Act and may result in a proportionate decrease in compensation.
- (b) Management-Administration positions may involve time in excess of eight (8) hours per day, forty (40) hours per week. Exempt employees are not entitled to overtime compensation and are exempt from the Fair Labor Standards Act's work hour's restrictions. Management-Administration employees may modify their work schedules within reason to adjust for their attendance at meetings at night and during other times outside of ordinary business hours.
- (b) Daily hours of work (or shifts) for employees within the departments shall be assigned by the City Manager as required to meet the operational requirements of said departments or City operations.
- (c) Any foreseeable absence or other deviation from regular working hours desired by an employee shall be cleared in advance by the City Manager, and such absence shall be noted on the employee's time record.

## SECTION 8. MISCELLANEOUS PROVISIONS

### 8.1 Incompatible Activities.

No full-time employee of the City shall engage in any occupation or outside activity which is incompatible with his or her employment by the City. Any employee shall inform his or her Department Head of the time required and the nature of such activity and the Department Head shall determine whether or not such activity is incompatible with City employment. Such approval shall be in writing and a copy forwarded to the City Manager for final authorization.

- 8.2 Prior Service Credit. Upon completion of five (5) years of service as Management-Administration employees with the City, full-time public agency (state, local, county or special district) years of experience, as verified by CalPERS or comparable public pension system, will be counted towards the accrual of benefits provided under this agreement specific to vacation accrual and retiree medical benefits.

SECTION 9. CERTIFICATION

The City Clerk shall certify to the passage and adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED on this 28<sup>th</sup> day of June, 2016.

  
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Jennifer L. King, MAYOR

ATTEST:

  
\_\_\_\_\_  
Vickie Kroneberger, CITY CLERK

APPROVED AS TO FORM:

  
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Christi Hogin, CITY ATTORNEY

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

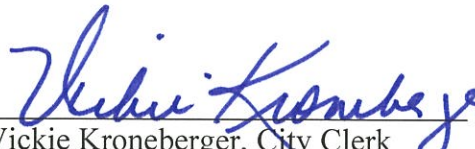
I, Vickie Kroneberger, City Clerk for the City of Palos Verdes Estates, California, do hereby certify that the foregoing Resolution **R16-21** was duly and regularly approved and adopted by the City Council of the City of Palos Verdes Estates at its regular meeting of the City Council on the 28<sup>th</sup> day of June, 2016, by the following vote:

AYES: COUNCILMEMBERS: King, Vandever, Goodhart, Rea, Peterson

NOES: COUNCILMEMBERS: None

ABSENT: COUNCILMEMBERS: None

RECUSED: COUNCILMEMBER: None

  
Vickie Kroneberger, City Clerk