

CITY OF SIERRA MADRE

# Terms & Conditions of Employment

---

For Confidential Exempt Employees

Implemented by Resolution 14-82

October 28, 2014

**Table of Contents**

**Article 1 Preamble ..... 2**  
    *Section 1 Confidential Exempt Employees ..... 2*  
    *Section 2 Management Team ..... 2*

**Article 2 Public Employees Retirement System ..... 2**  
    *Section 1 CalPERS Membership ..... 2*  
    *Section 2 City Payment of Employer Contribution for CalPERS Retirement ..... 2*

**Article 3 Insurance ..... 2**  
    *Section 1 Active Employee Insurance ..... 2*  
    *Section 2 Retiree Medical Insurance ..... 3*

**Article 4 Additional Compensation ..... 3**  
    *Section 1 Deferred Compensation ..... 3*  
    *Section 2 Life and Accidental Death Insurance ..... 3*  
    *Section 3 Short- and Long-term Disability ..... 3*  
    *Section 4 Water and Sewer Certification Stipends ..... 4*  
    *Section 5 Good Driving Incentive ..... 4*  
    *Section 6 Uniforms and Safety Equipment ..... 4*

**Article 5 Leaves ..... 4**  
    *Section 1 Management Leave ..... 4*  
    *Section 2 Vacation Leave ..... 4*  
    *Section 3 Sick Leave ..... 5*

**Article 6 Terms and Conditions of Employment ..... 5**

## Article 1 Preamble

It is the intent and purpose of these Terms and Conditions of Employment to set forth the wages, hours and/or other items and conditions of employment for the unrepresented full-time exempt employees of the City of Sierra Madre ("City"), in accordance with Chapter 2.48 of the Sierra Madre Municipal Code.

### *Section 1 Confidential Exempt Employees*

All employees who are both exempt and confidential and not included in the Executive Management Employee group.

### *Section 2 Management Team*

Select Confidential Exempt Employees; generally the head of a department or division as determined by the City Manager.

## Article 2 Public Employees Retirement System

### *Section 1 CalPERS Membership*

Consistent with the Government Code, employees who are local miscellaneous or safety members of the California Public Employees Retirement System are entitled to the benefits as indicated in the most recent amendment to the contract between the Board of Administration of CalPERS and the City Council.

### *Section 2 City Payment of Employer Contribution for CalPERS Retirement*

The City shall pay the employer share of the CalPERS retirement contribution as actuarially determined by CalPERS for each fiscal year. For Classic members, as defined by CalPERS, this is 2.5%@55 for miscellaneous employees and 3%@55 retirement benefit level for the safety employees. Employees enrolled in CalPERS after January 1, 2013 will be enrolled in the 2%@62 formula for miscellaneous employees and 2.7%@57 formula for safety employees.

## Article 3 Insurance

### *Section 1 Active Employee Insurance*

The City shall maintain the following overall level of insurance benefits for each employee covered by these Terms and Conditions of Employment. The specific coverage is subject to the provisions of the individual insurance company's master contract(s) as issued to the City of Sierra Madre for each type of insurance.

Insurance Benefits offered by the City include:

- Medical Insurance
- Dental Insurance
- Vision Insurance

The City has participated in the CalPERS medical program since 1995 to provide health coverage. Pursuant to Government Code Section 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA), for the calendar year beginning January 2014, the City will contribute \$113.05 for each employee towards a PERS Health Care Plan. This amount is adjusted annually.

Additionally, the City shall contribute up to \$15,000 in annual premiums, inclusive of the amount paid for medical, to cover the employee and his/her dependents' health, dental, and vision plans through an IRS Section 125 Flexible Benefit Plan administered by either the City or its designee.

Alternatively, if a Confidential Exempt Employee chooses not to purchase medical, dental, and vision insurance through the City's plan and the employee is covered by a group insurance plan, the employee will receive a medical stipend of \$325 per month.

The City also provides a Flexible Spending Plan to allow all employees to contribute to qualified medical and/or child care expenses a pre-tax basis.

All insurance benefits offered by the City are subject to COBRA upon an employee's resignation, retirement or other COBRA defined event. Additional insurances are available through payroll deduction.

## *Section 2 Retiree Medical Insurance*

The City has participated in the CalPERS medical program since 1995 for association members. As such, the City is obligated to contribute toward the cost of retiree medical coverage for the retiree's and spouse's lifetime so long as they remain eligible for and covered by this medical program. The City provides additional benefits based these Terms and Conditions of Employment beyond those required under PEMHCA. The following is a summary of these benefits:

All employees who retire from the City (including disability retirement) and continue coverage in the CalPERS medical program are eligible for the benefit provided in the PEMHCA resolutions. Those resolutions provide for the City to contribute toward retiree premiums at an equal amount to the active employees, for 2014 this amount is \$113.05.

In addition to the benefits described above, the City also provides the following monthly subsidy, inclusive of the contribution above, toward retiree (single coverage) medical premiums until the retiree reaches age 65:

- For employees hired before October 15, 1995 who meet the requirements for CalPERS retirement (including industrial disability retirement), the City will pay 5% times the number of years worked for the City times the lesser of the actual premium for the lowest cost HMO premium in the Los Angeles area region.
- For employees hired on or after October 15, 1995 who retire (including disability retirement) at age 60 or older with at least 30 years of service with the City, will receive 100% of the actual premium or the lowest cost active employee HMO premium in the LA area region, whichever is less.

All other insurance coverage terminates upon retirement and is subject to COBRA. Dependent health insurance coverage may be extended by co-payment. Premiums for dependent co-payment must be submitted monthly in advance prior to the 15th of each month. The dependent co-pay coverage will terminate at age 65 or five years after the employee's death, whichever occurs first or within the guidelines of COBRA.

Dental insurance and dependent health insurance coverage will be subject to current COBRA and insurance provider guidelines. No insurance coverage will be extended for vision, life or AD&D insurance. Premiums made to the City for COBRA coverage must be submitted monthly in advance prior to the 15th of each month.

## **Article 4 Additional Compensation**

### *Section 1 Deferred Compensation*

The City will contribute \$50 per pay period to Confidential Exempt Employees.

### *Section 2 Mobile Phone Allowance*

Confidential Exempt Employees will be given a \$40 a month mobile phone allowance to use their own personal device for work-related phone calls and emails; any Confidential Exempt Employee currently receive a \$65 stipend will continue to do so.

### *Section 3 Life and Accidental Death Insurance*

The City will provide \$75,000 coverage for Confidential Exempt Employees covered by these Terms and Conditions of Employment.

### *Section 4 Short- and Long-term Disability*

The City will provide Short-Term Disability Insurance that will provide 60% of the first \$1,925 of weekly pre-disability earnings for 90 days. Sick and other leave balances can be used for the remaining 40% of pre-disability earnings.

After 90 days, the City will provide Long-Term Disability Insurance that will provide 60% of the first \$8,333 of monthly pre-disability earnings. Sick and other leave balances can be used for the remaining 40% of pre-disability earnings. If an employee becomes disabled before age 62, LTD benefits may continue until the Social Security Normal Retirement Age. If an employee becomes disabled at age 62 or older, the benefit duration is determined by the age when disability begins.

These amounts are subject to increase by the insurance carrier.

**Section 5**      *Water and Sewer Certification Stipends*

Public Works employees covered by these Terms and Conditions are eligible for either water treatment and distribution stipends or sewer certification stipends for the following certifications:

- D-2 and/or T-2 certificate OR Grade 1 certificate: \$265 per month for each certification; OR
- D-3 certificate OR Grade 2 certificate: \$415 per month.

Employees will not receive Level 2 plus Level 3 stipends cumulatively. In other words, if an employee receives a Level 3 certification in Distribution he/she will receive only the Level 3 stipend, not Levels 3 plus 2. However, employees will receive a stipend for each certification held. So if an employee hold a D-2 and T-2 certificate, he/she will receive the Level 2 stipend times 2. The same standard applies for the Grade 1 and Grade 2 sewer stipends.

**Section 6**      *Good Driving Incentive*

Employees required to obtain and maintain a valid Class B License will receive \$350 at the end of each calendar year, so long as the employee has not been involved in any preventable driving accidents.

**Section 7**      *Uniforms and Safety Equipment*

Each employee required to wear a uniform covered by this Agreement shall be entitled to City provided uniforms and safety equipment. Employees must report to payroll when uniforms are replaced, including the cost of the uniform replacement, as uniforms are subject to IRS tax guidelines. All safety equipment must be returned to the City at the conclusion of the employee’s employment with the City.

**Section 8**      *Foreign Language Bonus*

Members covered under these terms and conditions of employment may be eligible for a one-time Foreign Language Bonus of \$750. In order to earn the bonus, the member must pass a test for reading and writing in the foreign language.

**Article 5**      **Leaves**

**Section 1**      *Management Leave*

Confidential Exempt employees will be granted 80 hours of Management Leave each year at the beginning of each fiscal year, or prorated thereto for the first year of employment. Management leave is eligible to be cashed out at the employee’s normal hourly rate at any time during the fiscal year or used as time off as approved by the employee’s supervisor. Management Leave will not roll over to the next fiscal year. Employees must use or cash out their allotment of Management Leave during the corresponding fiscal year. Any remaining leave at the end of the fiscal year will automatically be cashed out.

**Section 2**      *Vacation Leave*

Exempt employees shall accrue paid vacation leave per payroll period as follows:

<u>Length of Service</u>	<u>Service Years</u>	<u>Per Payroll</u>	<u>Annually</u>
0 - 48 months	1 – 4	3.71 hours	96.46 hours
49 - 60 months	5	4.01 hours	104.26 hours
61 - 72 months	6	4.32 hours	112.32 hours
73 - 84 months	7	4.62 hours	120.12 hours
85 - 96 months	8	4.93 hours	128.18 hours
97 - 108 months	9	5.24 hours	136.24 hours
109 - 120 months	10	5.55 hours	144.30 hours
121 - 132 months	11	5.85 hours	152.10 hours
133 - 144 months	12	6.16 hours	160.16 hours
145 - 156 months	13	6.47 hours	168.22 hours
Over 157 months	Over 14	6.78 hours	176.28 hours

An exempt employee joining the City from an outside agency can negotiate to have his or her starting vacation leave based on the number of years working in the public sector.

### *Section 3 Sick Leave*

Exempt employees will accrue 96 hours of sick leave per year. Exempt employees are eligible to cash-out, at their normal hourly rate, up to 100 hours of sick leave per calendar year, minus the number of sick leave hours taken during the calendar year, as long as the employee has 120 hours of combined vacation, sick, and holiday leaves on the books after the cash-out. This leave can be cashed out in increments throughout the year, but cannot exceed 100 hours in a calendar year.

Upon separation, an employee who has worked for the City for five (5) or more years shall be paid fifty percent (50%) of the employee's total accrued and unused sick leave to a maximum of 2,000 hours (2000 hours maximum accrual equals 1000 hours maximum cash out). Such reimbursement shall be at the employee's normal hourly rate at the time of separation.

Upon retirement, an employee can convert 100% of his/her sick leave into CalPERS Service Credit as stipulated in the City's contract with CalPERS.

## **Article 6 Terms and Conditions of Employment**

These Terms and Conditions of Employment are subject to all future and current applicable Federal and State laws and regulations. If any part or provision of these Terms and Conditions of Employment are in conflict with such applicable provisions of Federal and State laws and regulations, or are otherwise held to be invalid or unenforceable by any tribunal of competent jurisdiction, such part of the provision shall be suspended and superseded by such applicable law or regulations, and the remainder of these Terms and Conditions of Employment shall not be affected.

If any City rule or ordinance is in conflict with these Terms and Conditions of Employment, it shall supersede these Terms and Conditions of Employment.

This document is intended to be used in conjunction with the City of Sierra Madre Personnel Rules and Regulations. The Personnel Rules and Regulations address items including, but not limited to, sick and vacation leaves, tuition reimbursement, employee evaluations, personnel files and computer loan program. Current Rules and Regulations of the City that do not deal with matters covered by these Terms and Conditions of Employment shall remain in full force and effect.