

CITY OF SIERRA MADRE

Terms & Conditions of Employment

For Executive Management Employees

Implemented by Resolution 14-82

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Table of Contents

Article 1 Preamble 2
 Section 1 Executive Management 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 Car Allowance 3
 Section 5 Mobile Phone Allowance 3
 Section 6 Uniforms and Safety Equipment 4

Article 5 Leaves 4
 Section 1 Management Leave 4
 Section 2 Public Safety Holiday Leave 4
 Section 3 Vacation Leave 4
 Section 4 Sick Leave 4

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 Executive Management Employees

The Executive Management Employees include: Assistant City Manager, Department Directors, Fire Chief, Police Chief, and Police Captain. These employees are at-will employees and may be terminated at any time with or without cause.

Section 2 Management Team

Members of the Executive Management 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 \$18,000 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 an Executive Management Employee chooses not to purchase medical, dental, and vision insurance through the City's plan and 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 Executive Management Employees. 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 100% of the actual premium or the lowest cost active employee HMO premium in the Los Angeles Area Region, whichever is less, inclusive of the contribution above, toward retiree (single coverage) medical premiums for employees who retire at age 60 or older with at least 30 years of service with the City, until the retiree reaches age 65.

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.

The City will support a Retirement Health Savings Account that can be used to pay for COBRA upon retirement and other eligible expenses. Each employee covered by these Terms and Conditions of Employment will be required to contribute \$100 per paycheck to the Retirement Health Savings Account.

Article 4 Additional Compensation

Section 1 Deferred Compensation

The City will contribute \$100 per pay period to Executive Management Employees to a 457 deferred compensation account.

Section 2 Life and Accidental Death Insurance

The City will provide \$100,000 coverage for employees covered by these Terms and Conditions of Employment.

Section 3 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 4 Car Allowance

Executive Management Employees who are not provided exclusive use of a City vehicle will receive a \$300 monthly car allowance.

Section 5 Mobile Phone Allowance

Executive Management Employees will be given a \$65 a month mobile phone allowance to use their own personal device for work-related phone calls and emails; any Executive Management Employee hired after the adoption of this agreement will receive \$40 a month.

Section 6 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.

Article 5 Leaves

Section 1 Management Leave

Executive Management 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 on the second paycheck in June.

Section 2 Public Safety Holiday Leave

On July 1 of each year, or prorated thereto for the first year of employment, public safety employees will be granted 104 hours of Holiday Leave to be used in lieu of observing the City holidays granted to the rest of the employees. This leave cannot be cashed out and the leave bank may not exceed 104 hours at any time.

Section 3 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 4 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.