

# **City of Half Moon Bay**



## **Unrepresented Executive Employees Compensation and Benefits Plan July 1, 2018 – June 30, 2021**

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## **SECTION 1**

### **PURPOSE**

#### **1.1 Purpose**

To establish a program and guidelines for unrepresented executive employee compensation and benefits pursuant to the following goals and objectives:

- Establish a payment of unrepresented executive employees that results in appropriate salary-contribution relationships and competitive salary rates.
- Recognize the distinct character of unrepresented executive employees as opposed to grouping them with other employees for compensation purposes.
- Promote a firm commitment of unrepresented executive employees to the goals and objectives of the City Council and City Manager.
- Establish a system where salary serves as an effective device for promoting better job performance.
- Promote the further identification of the unrepresented executive employees and understanding of associated roles, loyalties, and responsibilities.

## **SECTION 2**

### **APPLICATION**

#### **2.1 Application**

This plan shall apply to employees in the following unrepresented executive classifications:

- Administrative Services Director
- Assistant City Manager
- Assistant to the City Manager
- City Clerk
- Community Development Director
- Contract Services Manager
- Deputy City Manager
- Finance Director
- Public Works Director

## **SECTION 3**

### **Compensation**

#### **3.1 Compensation**

Effective July 1, 2018, the base wages for unrepresented executive classifications covered by this plan shall be increased by a salary adjustment of four percent (4%).

Effective July 1, 2019, the base wages for unrepresented executive classifications covered by this plan shall be increased by a salary adjustment of two and one half percent (2.5%).

Effective July 1, 2020, the base wages for unrepresented executive classifications covered by this plan shall be increased by a salary adjustment of two and one half percent (2.5%).

The salary rates for all classifications are listed on Appendix A, attached hereto.

The City will impose a “me too”, if any other bargaining unit extends a contract with a cost of living increase and cafeteria plan increase higher than what is being established in this three (3) year compensation and benefits plan. The City Manager may propose to the City Council an equal to or greater increase, but the contract term should also remain equal to the comparable bargaining unit.

#### **3.2 Salary at Initial Appointment**

Salary at initial appointment is at the discretion of the City Manager and shall be based upon the qualifications of the candidate.

Other benefits and adjustments to this compensation and benefits plan may be implemented in a side letter agreement at the time of employment or possibly during other terms of employment and/or termination.

#### **3.3 Salary Advancement Within Range**

Salary advancement within a range shall be based on merit and performance as determined by the City Manager. Salary advancement within an established range is typically considered at one-year intervals and/or at the time of a range adjustment. The date of salary review and increase may be advanced or delayed as determined by the City Manager. The decision shall be final without right to appeal.

### **3.4 Acting Pay**

Upon approval of the City Manager, an employee may be assigned acting duties of a position having a higher salary range. The employee must be assigned in writing to perform the full scope of duties as specified in the job description of the higher-level position for at least eleven (11) consecutive business days and will be paid up to ten percent (10%) more than his/her current salary for the entire period of the acting assignment.

## **SECTION 4**

### **SUPPLEMENTAL BENEFIT**

#### **4.1 Vacation and Administrative Leave Payoff**

When an employee is separated from service, he/she shall be entitled to a lump sum payment for any unused vacation and administrative leave at the time of separation.

In addition to the payment available upon separation, with the approval of the City Manager, employees may receive an annual payment in exchange for earned vacation or administrative leave up to one hundred four (104) hours in any given calendar year payable during the month of November. At the time of the request for the exchange, the employee must retain a minimum of sixty (60) total hours of vacation and/or administrative leave on their leave banks.

#### **4.2 Sick Leave Payoff**

Upon separation from the City, employees with a minimum of five (5) years of service, but less than ten (10) years of service, shall receive reimbursement for twenty-five percent (25%) of their accrued sick leave with a cap of Twenty Five Hundred Dollars (\$2,500.00). Employees with a minimum of ten (10) years of service, but less than twenty (20) years of service, shall receive reimbursement equal to twenty-five percent (25%) of accrued sick leave with no cap. Employees with a minimum of twenty (20) years of service shall receive reimbursement equal to forty percent (40%) of accrued sick leave with no cap.

#### **4.3 Reimbursement for Use of Technology**

If an employee is required by his or her supervisor to use his or her personal cell phone, tablet, computer or other technology in the course of City business, the City will provide a technology stipend of Seventy Five Dollars (\$75) per month.

## **SECTION 5**

### **AUTO ALLOWANCE**

#### **5.1 Auto Allowance**

Unrepresented executive classifications are eligible to receive a monthly auto allowance of Two Hundred and Fifty Dollars (\$250) per month.

## **SECTION 6**

### **EDUCATIONAL TRAINING INCENTIVE PROGRAM**

#### **6.1 Educational Reimbursement**

The City shall reimburse employees for job-related educational classes, certifications, professional memberships, conferences, workshops, or seminars, conditioned upon prior approval of the City Manager or their designee in the amounts set forth below. Eligible classes, certifications, professional memberships, workshops, conferences, and seminars must:

- Relate to and be beneficial for the work of the employee's current City position or occupation; or
- Satisfy a continuing education requirement of the employee's current City position; or
- Prepare the employee for advancement/promotion to positions of greater responsibility within the City.

Under this section, employees may also request reimbursement of payments made towards student loans.

Employees who have completed less than two (2) years of service with the City may be reimbursed up to a maximum amount of One Thousand Five Hundred Dollars (\$1,500) per calendar year, per employee.

Employees who have completed two or more years of service with the City may be reimbursed up to an additional One Thousand Five Hundred Dollars (\$1,500), for a total maximum reimbursement of Three Thousand Dollars (\$3,000) per calendar year, per employee. This additional \$1,500 may only be applied towards reimbursement for job-related degrees from accredited educational institutions or repayment of student loans.

The City does not make any representations as to the tax treatment of this benefit.

## **SECTION 7**

### **HEALTH AND WELFARE**

#### **7.1 Medical, Dental and Vision Insurance**

##### **A. Eligibility**

All regular employees of the City eligible for PERS medical membership shall be eligible to enroll in the health and welfare benefits provided by this Section and currently authorized for this bargaining unit. Eligible dependents of a regular employee eligible for PERS medical membership shall be permitted to participate in any health and welfare benefit provided in this Section to the extent authorized by the benefit plan.

Effective January 1, 2014, the City will offer minimum essential coverage as required by the Patient Protection and Affordable Care Act. However, in no event shall the employee's contribution towards individual medical coverage exceed 9.5% of his or her gross taxable wages as reported on his or her W-2.

##### **B. Medical Insurance Benefits**

The City will contract with the California Public Employees Retirement System (CalPERS) for the purpose of providing employees and their eligible dependents with medical insurance benefits.

The City will pay the minimum employer contribution required under Public Employees Medical and Hospital Care Act (PEMHCA) for each eligible active employee towards the purchase of medical insurance.

##### **C. Cafeteria Plan**

The City will maintain a Cafeteria Plan, pursuant to Section 125 of the Internal Revenue Code, for the purpose of providing employees with access to various health and welfare benefits. Benefits available through the Cafeteria Plan include medical insurance, dental insurance, and vision insurance.

The City will provide a Cafeteria Plan Allowance to all employees eligible to participate in City-sponsored health and welfare benefits.

The City shall contribute up to a maximum of One Thousand Eight Hundred Dollars (\$1,800) per month for regular full-time employees. The City's contribution for part-time employees shall be pro-rated based on their FTE.

In addition, the City agrees to provide dental and vision insurance up to the family level coverage for regular full-time employees. The City's contribution for part-time employees shall be pro-rated based on their FTE.

Any and all additional sums, over and above the amounts stated above that are required to purchase the employee selected Health and Welfare benefit, shall be paid by the employee through payroll deduction. Cafeteria Plan Allowance in excess of actual premiums is to be paid to the employee. A City payroll deduction authorization form shall be completed.

For particulars of coverage, see appropriate pamphlets and contracts.

#### **D. Flexible Spending Accounts**

As soon as administratively possible following adoption of this benefit plan by the City Council, the City will offer a flexible spending account (FSA) program available to employees. Employees may elect to contribute pre-tax dollars towards their FSAs for approved uses under such plan(s). FSA contributions shall not exceed IRS allowable limits.

### **7.2 Life Insurance and AD & D Insurance**

The City shall provide Life Insurance and Accidental Death and Dismemberment coverage for employees in the amount equal to one (1) times their individual annual base salary.

### **7.3 Disability Coverage**

The City shall provide long-term disability coverage of sixty seven percent (67%) of monthly earnings to a maximum monthly benefit of Six Thousand Dollars (\$6,000) after a sixty (60) day elimination period.

### **7.4 Deferred Compensation**

Employees may participate in the City's voluntary deferred compensation program (457 Plan). For employees who have completed one year of service with the City, the City will match fifty cents (\$0.50) for every dollar that the employee contributes towards their 457 Plan account, up to an employee contribution of four percent (4.0%) of the employee's salary. For example, if an employee contributes 4.0% or more of their salary towards their 457 Plan account, they will receive a 2.0% match from the City. For employee contributions, the City will make payroll deductions and transmit funds to the administrator. The City makes no representation on the merit of the plan or any of the investment products or instruments, which may be offered by the plan. The individual participant is responsible for evaluating

the investment options within the plan. The City currently contracts with the ICMA-RC and CalPERS to provide a 457 program.

## **7.5 Retirement**

The City will provide the following benefits to employees who do not meet the definition of “new member” as set forth in Government Code Section 7522.02(f):

- a. Employer Paid Member Contribution (EPMC) – Effective July 1, 2013, employees will be required to pay seven percent (7%) of the member contribution;
- b. 2% @ 55 Retirement option;
- c. One-Year final compensation;
- d. Unused Sick Leave Conversion for Retirement Service Credit – Retiring employees, defined as employees who request retirement payments from PERS within 120 days from separation from service, may convert unused sick leave to service credits to the maximum allowed by CalPERS. This provision to convert sick leave to service credits is at the option of the employee and, if so selected, is in-lieu of any other options available to convert sick leave to cash upon separation that the Compensation and benefits plan may provide;
- e. Employer Paid Member Contribution (EMPC) converted to payrate during the final compensation period.

Retirement benefits of employees who on or after January 1, 2013 became members of CalPERS or a retirement system that has reciprocity with CalPERS shall conform to the requirements of the California Public Employees’ Pension Reform Act of 2013, Gov. Code § 7522 et seq., as may be amended.

The City will provide the following retirement benefits to all employees:

- a. 1959 Survivor Benefit – 3<sup>rd</sup> Level.
- b. Military Service Credit (Statutes of 1976) – The employee, at the employee’s expense, may purchase Military Service Credits.
- c. Pre-retirement Option 2W Death Benefit.

## SECTION 8

### HOLIDAYS

#### 8.1 Recognized Holidays

All full-time bargaining unit employees are entitled to the following holidays with pay:

- New Year's Day
- One day prior to, or following New Year's Day
- Martin Luther King, Jr. Day
- President's Day
- Cesar Chavez Day
- Memorial Day
- Independence Day
- Labor Day
- Veteran's Day
- Thanksgiving Day
- Day after Thanksgiving
- Christmas Day
- One day prior to, or following Christmas Day
- One Floating Holiday

Part-time employees shall receive holiday pay equivalent to their regularly scheduled hours on the day on which the holiday is observed (for example, if an employee is regularly scheduled to work six (6) hours on Mondays, they would receive six (6) hours of holiday pay for any holidays that are observed on a Monday).

When any day recognized as a holiday falls on a Sunday, the holiday shall be observed on the following Monday. When any day recognized as a holiday falls on a Saturday, the holiday shall be observed on the preceding Friday.

For Christmas and New Year's Holidays the following schedule shall be used to determine the actual days off:

<u>Actual Holiday</u>	<u>Holiday Observed</u>	<u>Day Before or After Observed</u>
Sunday	Monday	Tuesday
Monday	Monday	Tuesday
Tuesday	Tuesday	Monday
Wednesday	Wednesday	Tuesday
Thursday	Thursday	Friday
Friday	Friday	Thursday
Saturday	Friday	Thursday

## SECTION 9

### LEAVES

#### 9.1 Vacation Leave

Full-time employees are entitled to paid vacation time off which shall accrue at the following rate:

0 through 4 years	8	hours per month
5 through 10 years	10	hours per month
11 through 15 years	12	hours per month
16 through 20 years	14	hours per month
21+ years	15.33	hours per month

The accrual rate for part-time employees shall be pro-rated based on their FTE.

Employees may accumulate up to, but not more than, two (2) years of vacation credit at their current accrual level. When an employee reaches the maximum accrual level he/she will no longer accrue vacation. The City Manager has the discretion to include prior years of total public service when establishing vacation leave accrual for new hires.

#### 9.2 Sick Leave

Full-time employees shall accrue eight (8) hours of sick leave with pay for each month of service. The accrual rate for part-time employees shall be pro-rated based on their FTE.

Sick leave may be applied to:

- a. Absence necessitated by an employee's personal illness.
- b. Medical and dental appointments.

All conditions and restrictions that govern employee use of sick leave shall also apply to the use by an employee to attend to an illness of his/her child, mother, father, mother-in-law, father-in-law, spouse, domestic partner; domestic partner's mother, father, or child; and any dependent living in the same household as the employee.

Sick Leave incentive: Two (2) days' vacation leave will be awarded contingent upon non-usage of accumulated sick leave (i.e. employee authorized one additional vacation day per six (6) months provided sick leave usage does not exceed two (2) days for that same period).

### **9.3 Industrial Accident Leave**

An employee who has suffered an illness or injury arising out of and in the course of his/her employment, as defined by the Workers' Compensation laws of the State of California and is receiving temporary disability indemnity payments shall be entitled to industrial accident leave while so disabled without loss of compensation for a period not to exceed seventy-five (75) calendar days.

During the period the employee is paid by the City, the employee shall endorse to the City any temporary disability indemnity benefit payments received as a result of Workers' Compensation insurance coverage. The City will withhold payment of all compensation and benefits provided by this section until it is determined whether the illness or injury is accepted. If the employee's disability caused by illness or injury arising out of and in the course of the employee's employment extends beyond seventy-five (75) calendar days as described above, the employee may integrate his/her unused sick leave, vacation leave, and compensatory time accruals with the Workers' Compensation payments, provided that the sum of all Workers' Compensation Temporary Disability Indemnity benefits and paid leave do not exceed the employee's regular rate of pay for said period.

Once sick leave is exhausted, the employee may request an unpaid leave of absence. Such request must be in writing and must include a medical doctor's estimated date of return to full duty.

### **9.4 Bereavement Leave**

The maximum period of bereavement leave with pay granted to any employee, whether full-time or part-time, for each death in his/her immediate family (immediate family includes and is limited to spouse/registered domestic partner and parents, grandparents, children, grandchildren, and siblings of the employee and/or spouse/registered domestic partner of the employee) shall be three (3) consecutive working days. Bereavement leave with pay granted to an employee for all deaths in his/her immediate family shall not exceed five (5) working days during any twelve (12) month period except by special action of the City Council for good cause shown, except that an additional day will be granted in each case where the death takes place outside the State of California.

### **9.5 Jury Duty**

A regular employee who is summoned for attendance to any court for jury duty will promptly inform his or her supervisor and, if required to serve, may be absent from work without loss of wages or use of accrued leave while rendering such service (including travel time).

Employees shall return all jury fees to the City. Jury fees received by an employee, if any, will be remitted to the City within fifteen (15) working days after they are received, exclusive of any meal, expense, and/or travel reimbursements.

Upon being excused from the court each day, the employee must return to work if he or she has more than four (4) hours remaining before the end of his or her workday. Jury duty leave will be considered time worked for pay calculation purposes.

## **9.6 Court Leave**

Each employee of the City who is required, under subpoena, to take time off duty with the City, to appear as a witness, by reason of their employment with the City, before any court, arbitrator, or tribunal, shall receive their regular salary during the time of their service as a witness under subpoena, less any and all witness fees which the employee may receive. Compensation will not be paid if the employee is a party to the action and is in a position adverse to the City. Upon service of subpoena, an employee shall immediately advise their supervisor thereof, and of the time when the employee is required to appear in Court in response thereto.

## **9.7 Military Leave**

The City shall grant military leave in accordance with the California Military and Veterans Code.

## **9.8 Administrative Leave**

In addition to vacation leave, employees shall accrue eight (8) hours of administration leave per month. The City Manager may grant up to an additional twelve (12) hours of administrative leave per fiscal year in recognition of unanticipated efforts. The City Manager has full discretion in deciding whether to grant additional leave.

Employees may accumulate up to, but not more than, two (2) years of administrative leave credit. When an employee reaches the maximum accrual level, he/she will no longer accrue administration leave.

## **9.9 City Hall Closure**

### 2018-2019

City Hall will be closed December 26-28, 2018. Employees may use accrued vacation, administrative leave or take unpaid time off during the unpaid closure days. Employees without accrued vacation or administrative

leave will take unpaid leave. Notwithstanding the foregoing, employees hired on or after October 1, 2018 may request an advance of up to three (3) days of vacation time to be used to ensure employees will be paid during the FY2018-19 City Hall closure. Employees may be permitted or required to work during this period with the approval of the City Manager and subject to the business needs of the City.

#### 2019-2020

City Hall will be closed December 26-27 and December 30, 2019. Employees may use accrued vacation, administrative leave or take unpaid time off during the unpaid closure days. Employees without accrued vacation or administrative leave will take unpaid leave. Notwithstanding the foregoing, employees hired on or after October 1, 2019 may request an advance of up to three (3) days of vacation time to be used to ensure employees will be paid during the FY2019-20 City Hall closure. Employees may be permitted or required to work during this period with the approval of the City Manager and subject to the business needs of the City.

#### 2020-2021

City Hall will be closed December 28-30, 2020. Employees may use accrued vacation, administrative leave or take unpaid time off during the unpaid closure days. Employees without accrued vacation or administrative leave will take unpaid leave. Notwithstanding the foregoing, employees hired on or after October 1, 2020 may request an advance of up to three (3) days of vacation time to be used to ensure employees will be paid during the FY2020-21 City Hall closure. Employees may be permitted or required to work during this period with the approval of the City Manager and subject to the business needs of the City.

## **SECTION 10**

### **At-Will Status**

#### **10.1 At-Will Status and Severance**

Unrepresented executive employees are at-will and serve at the pleasure of the City Manager. Unrepresented executive employees do not have a property interest in their position with the City and employment may be terminated at any time, with or without cause, by either the City or the employee. Notwithstanding the foregoing, an unrepresented executive employee shall not be removed from office, other than for misconduct in office, during or within a period of ninety (90) days succeeding the appointment of a new City Manager. The purpose of this provision is to

allow any new City Manager to observe the actions and ability of the unrepresented executive employees in the performance of the powers and duties of their office. This grace period does not alter the at-will status of unrepresented executive employees.

Should the City Manager choose to terminate any unrepresented executive employee, the following severance provisions apply and will be made available to the employee if the separated employee signs and agrees to be bound by a written general release agreeing not to sue and waiving claims and recovery against the City and all City representatives and agents.

Starting on the one-year anniversary of the date of hire, unrepresented executive employees released without cause shall be eligible for a general release with a severance payment equal to four (4) week's salary at the base pay rate upon separation.

**EXHIBIT A**  
**SALARY SCHEDULE**

**Effective July 1, 2018 through June 30, 2019**

		<b>Steps</b>					
<b>Position</b>	<b>Class</b>	<b>Change</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
		<b>Monthly Salary Ranges (e)</b>					
Public Works Director	10-520	4%	14,662	15,395	16,164	16,972	17,820
Community Development Director	10-505	4%	13,495	14,169	14,877	15,620	16,401
Deputy City Manager	10-500	4%	13,470	14,143	14,850	15,592	16,371
Finance Director	10-490	4%	13,370	14,038	14,739	15,475	16,248
Administrative Services Director	10-530	4%	12,296	12,910	13,555	14,232	14,943
Assistant City Manager*	10-515	4%	12,154	12,761	13,399	14,068	14,771
Contract Services Manager*	10-430	4%	9,506	9,981	10,480	11,003	11,553
Assistant to the City Manager*	10-420	4%	8,569	8,997	9,446	9,918	10,413
City Clerk	10-410	4%	8,157	8,564	8,992	9,441	9,913

**Effective July 1, 2019 through June 30, 2020**

Position	Class	Change	Steps				
			A	B	C	D	E
Monthly Salary Ranges (e)							
Public Works Director	10-520	2.5%	15,029	15,780	16,569	17,397	18,266
Community Development Director	10-505	2.5%	13,833	14,524	15,250	16,012	16,812
Deputy City Manager	10-500	2.5%	13,807	14,497	15,221	15,982	16,781
Finance Director	10-490	2.5%	13,703	14,388	15,107	15,862	16,655
Administrative Services Director	10-530	2.5%	12,603	13,233	13,894	14,588	15,317
Assistant City Manager*	10-515	2.5%	12,458	13,080	13,734	14,420	15,141
Contract Services Manager*	10-430	2.5%	9,744	10,231	10,742	11,279	11,842
Assistant to the City Manager*	10-420	2.5%	8,782	9,221	9,682	10,166	10,674
City Clerk	10-410	2.5%	8,362	8,780	9,218	9,678	10,161

**Effective July 1, 2020 through June 30, 2021**

Position	Class	Change	Steps				
			A	B	C	D	E
Monthly Salary Ranges (e)							
Public Works Director	10-520	2.5%	15,405	16,175	16,983	17,832	18,723
Community Development Director	10-505	2.5%	14,180	14,888	15,632	16,413	17,233
Deputy City Manager	10-500	2.5%	14,153	14,860	15,602	16,382	17,201
Finance Director	10-490	2.5%	14,047	14,749	15,486	16,260	17,072
Administrative Services Director	10-530	2.5%	12,918	13,563	14,241	14,953	15,700
Assistant City Manager*	10-515	2.5%	12,770	13,408	14,078	14,781	15,520
Contract Services Manager*	10-430	2.5%	9,988	10,487	11,011	11,561	12,139
Assistant to the City Manager*	10-420	2.5%	9,002	9,452	9,924	10,420	10,941
City Clerk	10-410	2.5%	8,571	8,999	9,448	9,920	10,416