

RESOLUTION NO. 2015-5294

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YORBA LINDA, RELATING TO THE CLASSIFICATION, COMPENSATION AND TERMS OF EMPLOYMENT OF MANAGEMENT EMPLOYEES

WHEREAS, the City desires to provide certain salary increases and changes in benefits to its Management employees effective for the term of October 1, 2014 to September 30, 2016.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Yorba Linda as follows:

SECTION 1. Basic Compensation Rules There is hereby established a basic plan of classification, compensation and terms of employment for all Management employees of the City of Yorba Linda who are now or will in the future be employed in any of the classifications of employment listed in this Resolution.

The basic compensation plan shall consist of the monthly compensation ranges listed in Section 3. The rates of pay shall be interpreted and applied as follows:

- A. The first step is the minimum rate and is normally the hiring rate of the class. The City Manager is authorized to make an appointment to a position at any other level of the salary range when he/she deems it necessary.
- B. Every Management employee in a regular competitive service position shall have a salary anniversary date established at the completion of six (6) months of satisfactory service and shall receive a merit increase at this time upon approval of the City Manager. In the event a Management employee is hired at the third step (C Range) or higher, the salary anniversary date will be established at the completion of one year of satisfactory service and may receive a merit increase at this time upon approval of the City Manager.
- C. Compensation on Transfer The salary rate and salary anniversary date of an employee who is transferred within the classification shall not change.
- D. Changes in Class Salary Range If a classification is allocated to a different salary range, an employee in a position in that classification shall be compensated at the same numbered step in the new range as he/she was receiving in the previous range and his/her salary anniversary date shall not change.
- E. Salary on Demotion A Management employee who is demoted shall have his/her salary rate reduced to the nearest lower salary rate to the classification of position to which he/she is demoted. He/she shall not be required to serve a probation period in the lower position. The effective date of the demotion shall become his/her new salary anniversary date, and he/she shall earn eligibility for annual merit increases thereafter.
- F. Length of Service Required When Advancement Denied When a Management employee has not been approved for advancement to the next higher salary step,

he/she may be reconsidered for such advancement at any subsequent time.

G. Pay Periods All Management employees shall be paid on a bi-weekly basis. The basic bi-weekly salary shall be computed by multiplying the monthly salary set forth in this Resolution by twelve (12) months and dividing the resultant product by twenty-six (26) pay periods. The basic hourly rate for all employees with scheduled forty (40) hour week shall be computed by dividing the bi-weekly salary by eighty (80) hours.

SECTION 2. Management Employees Those employees holding the following positions are hereby designated as Management employees:

CLASSIFICATION

- Assistant City Manager
- City Manager
- Community Development Director
- Finance Director
- Library Director
- Recreation and Community Services Director
- Public Works Director/City Engineer

SECTION 3.

Compensation and Benefit Provisions for October 1, 2014-September 30, 2015

<u>Position</u>	<u>Monthly Salary Range</u>	<u># of Positions</u>
Assistant City Manager	13,032 - 15,840	
City Manager	Contract	1
Community Development Director	11,698 - 14,219	1
Finance Director	11,818 - 14,364	1
Library Director	10,783 - 13,107	1
Parks and Recreation Director	11,201 - 13,615	1
Public Works Director/City Engineer	12,342 - 15,002	1

Compensation and Benefit Provisions for October 1, 2015-September 30, 2016

<u>Position</u>	<u>Monthly Salary Range</u>	<u># of Positions</u>
Assistant City Manager	13,277 - 16,078	
City Manager	Contract	1
Community Development Director	11,873 - 14,432	1
Finance Director	11,995 - 14,579	1
Library Director	10,944 - 13,303	1

Parks and Recreation Director	11,369	-	13,819	1
Public Works Director/City Engineer	12,527	-	15,227	1

The salary ranges listed above are based on a percentage range with actual salaries based upon an evaluation. The City Manager is authorized to adjust Management employees' actual salary based on an evaluation of the employees' performance from October 1, 2014 through September 30, 2016.

SECTION 4. Exempt Positions All Management employees included in the provisions of this Resolution shall receive no additional compensation for overtime hours worked. The monthly salary shall be considered full compensation for all hours worked, however, administrative leave may be granted when approved by the City Manager for good and sufficient cause.

Under the Federal Labor Standards Act (FLSA), salaried employees (mid-managers and managers) are classified as exempt employees. However, should there be an implementation of furloughs, exempt employees lose their exempt status during a workweek in which the designated furlough hours take place and therefore will be entitled to overtime pay (if over 40 hours) for overtime worked in that week. Subject to the approval of the City Manager and the following provisions, a Department Head may prescribe reasonable periods of overtime work to meet operational needs of his/her department. Employees shall be compensated for overtime by the payment at the rate of one-and-one-half (1-1/2) times the employee's normal rate of pay for all hours over forty (40) worked in a seven (7) day work period and at the rate of two (2) times the employee's normal rate of pay for Sundays and holidays.

SECTION 5. Separation Persons appointed or promoted to Management positions after July 1, 2009 serve at the will and pleasure of the City Manager and may be discharged from City employment by the City Manager without proof of cause or other justification and without right of appeal or hearing. Management employees who are appointed or promoted to their positions prior to July 1, 2009 shall be discharged only under the provisions of the Yorba Linda Municipal Code as it existed at the time of their appointment to the position, unless the terms of their employment have been modified pursuant to a Separation Agreement.

The City Manager is authorized to enter into Separation Agreements on behalf of the City with all Management employees establishing terms and conditions of at-will employment. Said Agreement shall provide that as a result of discharge without proof or cause or other justification, a Management employee shall be entitled to the following Separation Compensation which shall be made as a lump sum payment:

- A. Three (3) months pay at an amount equal to his or her hourly rate on the date of discharge.

- B. An amount equal to three (3) months worth of health insurance premiums paid for the Management employee to the Public Employees Retirement System (PERS) plus \$270 which is equivalent to three (3) months of dental/vision insurance premiums.

Discharged Management employees who are subject to a Separation Agreement shall also be entitled to an additional one (1) month of Separation Compensation for each five (5) full years of service rendered to the City of Yorba Linda regardless of previously-held job classification(s). In no event, however, shall Separation Compensation exceed six (6) months. In addition, Management employees must serve one full year prior to being discharged to be eligible for Separation Compensation.

SECTION 6. Retirement

Employment with CITY is subject to the California Public Employees' Pension Reform Act of 2013 (hereinafter "PEPRA") and the California Public Employees Retirement System (hereinafter "CalPERS").

Pursuant to PEPRA, individuals who are employed by any public employer before January 1, 2013, and who become employed by CITY for the first time on or after January 1, 2013, shall be subject to the retirement plan that was available to comparable CITY safety or non-safety employees as of December 31, 2012, if the individual was subject to reciprocity with CalPERS.

Pursuant to PEPRA, individuals who were previously employed by CITY, and who become reemployed by CITY after January 1, 2013, shall be subject to the retirement plan that was in effect at the time they separated from the employment of CITY, regardless of the length in the break of service.

PEPRA requires a different benefit plan for CITY employees who are hired on or after January 1, 2013, and who are new employees and new members on or after January 1, 2013.

PEPRA defines a "new employee" to mean either of the following: an employee, including one who is elected or appointed, of a public employer who is employed for the first time by any public employer on or after January 1, 2013, and who was not employed by any other public employer prior to the that date. A "new employee" also means an employee, including one who is elected or appointed, of a public employer who is employed for the first time by any public employer on or after January 1, 2013, and who was employed by another public employer prior to that date, but who was not subject to reciprocity.

PEPRA defines a "new member" to mean an individual who becomes a member of any public retirement system for the first time on or after January 1, 2013, and who is not a member of any other public retirement system prior to that date; an individual who becomes a member of a public retirement system for the first time on or after January 1,

2013, and who was a member of another public retirement system prior to that date that was not subject to reciprocity; or an individual who was an active member in a retirement system and who had a break in service of more than six months before returning to active membership in that same retirement system with a new employer.

Effective January 1, 2013, public employers that offer a defined benefit plan shall only offer the defined benefit formulas to new members established pursuant to PEPRA.

Effective January 1, 2013, each retirement system that offers a defined benefit plan for non-safety members who are new members, is required to use the formula set forth in PEPRA. To receive full benefits, the non-safety employee must be 62, at which time he/she receives 2% of the member's final compensation.

In CITY, the new miscellaneous formula for new members first hired on or after January 1, 2013, is 2% at 62.

Equal sharing of normal costs between public employers and public employees shall be the standard for new members. The standard shall be that employees pay at least 50% of normal costs. Employers cannot pay any of the required employee contribution for new employees who are also new members.

The "normal cost" is defined as the annual actuarially determined normal cost for the defined benefit plan of an employer expressed as a percentage of payroll.

New members shall have an initial contribution rate of at least 50% of the normal cost rate for that defined benefit plan, rounded to the nearest quarter of 1%, or the current contribution rate of similarly situated employees (miscellaneous members), whichever is higher. The contribution shall not be paid by the employer on the employee's behalf.

Once the new member's contribution rate is established, the employee's contribution rate can automatically be adjusted upwards or downwards, but only if the normal cost rate increases or decreases by more than 1% of payroll above or below the normal cost rate in effect at the time the employee contribution rate is first established, or the normal cost rate in effect at the time of the last adjustment of the employee contribution rate.

The employee contributions for new members may be more than one-half of the normal cost rate if the increase has been agreed to through the collective bargaining process subject to several restrictions.

Final compensation for new members shall now mean the highest average annual pensionable compensation earned by the member during a period of at least 36 consecutive months (or three school years if applicable), immediately preceding his or her retirement. The member also has the option of designating an alternative 36 consecutive month period during the member's applicable service.

Classic Members

This retirement plan only applies to classic members within the meaning of PEPRA. Classic members are those individuals employed by CITY prior to January 1, 2013. Classic members are also those individuals who are hired by CITY after January 1, 2013, and who were employed by another public agency prior to January 1, 2013, and who had membership with a previous reciprocal retirement system.

The City of Yorba Linda shall contribute the total amount of the employees' share of the retirement program (PERS) in the name of the employee. The City shall provide a retirement benefit package for the employees which is based on single highest year compensation and includes unused sick leave credit, post-retirement survivor allowance and 1959 Survivors Benefits.

Starting in July 2015, classic members shall contribute an additional 1.0% retirement contribution to PERS towards the employer share for a total of 6.0%, and CITY shall contribute the balance of the employee's and employer's share of the contribution to PERS pursuant to Government Section Code 20516(a).

Starting in July 2016, classic members shall contribute an additional 1.0% retirement contribution to PERS for a total 7.0% towards the employer's share, and CITY shall contribute the balance of the employee's and employer's share of the contribution to PERS pursuant to Government Section Code 20516(a).

As of August 7, 2007, the City pays and reports the value of Employer Paid Member Contribution (EPMC) to CalPERS as additional compensation for each employee. This benefit shall consist of paying 7% of the normal contributions for employees, and reporting this 7% as compensation earnable.

New Members

This retirement plan only applies to new members hired by CITY on or after January 1, 2013.

The member contribution rate has been determined by CalPERS to be 6.75% of reportable compensation. The member contribution rate may change over time if the total normal cost rate for new miscellaneous members fluctuates by more than 1% of payroll over the estimated initial normal cost of 13.3% of payroll. The total normal cost rate will be impacted over time by the actual demographics of CITY's miscellaneous plan and the actuarial assumptions used in the funding of the retirement benefits. The member rate will be reviewed once a year by CalPERS when the actuarial valuation of CITY's miscellaneous plan is performed.

CITY shall promptly notify Association and the affected member of any change in the member contribution rate imposed by CalPERS during the term of this MOU. Any such

change in the member contribution rate is mandatory, and it shall be implemented by City in accordance with the CalPERS notification. Any change in the member contribution rate during the term of this MOU imposed by CalPERS shall not be subject to the meet and confer process, and the parties specifically agree that changes in the member contribution rate for new members are outside the scope of representation.

Final compensation for new members shall now mean the highest average annual pensionable compensation earned by the member during a period of at least 36 consecutive months, immediately preceding his or her retirement. The member also has the option of designating an alternative 36 consecutive month period during the member's applicable service.

These benefits are not available to limited service employees as defined in Section 4 of this Resolution.

SECTION 7. Life Insurance The City shall provide life insurance on the life of each Management employee and pay the full annual premium therefore. The face amount of said policies shall be equal to the employee's annual salary and increasing it to the nearest one-thousand dollars. Additional life insurance coverage may be purchased if the employee pays for the additional premium.

SECTION 8. Medical/Health Insurance The City shall provide the PERS Health Plan for medical insurance.

A. The City shall pay toward the annual cost of the health plan in accordance with the following schedule:

1. Regular, competitive service employees and employees' dependents

Effective January 1, 2015, the maximum monthly benefit for employees hired prior to July 1, 2001, shall be \$1,352 per month. Effective January 1, 2016 the maximum monthly benefit for employees hired prior to July 1, 2001 shall be \$1,387 per month.

Employees hired on or after July 1, 2001, shall not be eligible for health insurance described above. Effective January 1, 2015, the City shall contribute \$1,130 per month toward a "cafeteria plan". Effective January 1, 2016, the City shall contribute \$1,165 per month toward a "cafeteria plan". The cafeteria plan is utilized first to pay health insurance premiums; any residual amount may be received as cash or applied toward the employee's deferred compensation.

Employees hired prior to July 1, 2001, may exercise a one-time election to join the cafeteria plan set forth above. The election, once made, is irrevocable.

2. Retired, competitive service employees and employees' dependents Retirees and their dependents are eligible to participate in the PERS Health Plan. The maximum

monthly benefit for retirees shall be (up to) \$1,167.00 for retirees and their dependents that are eligible to participate in the PERS Health Plan. The City will pay a percentage of the PERS Health Plan Premium on behalf of the retiree and their dependents (the percentage covered by the City shall increase each year in accordance with PERS Health Plan rate formula.)

SECTION 9. Dental and Vision Insurance/Employee Assistance Program The City shall provide a self-insured indemnity plan for dental and vision insurance and employee assistance program benefits for the following classes of employees and their dependents. The City shall pay toward the annual cost of the dental, vision, and employee assistance program in accordance with the following schedule:

- A. Regular, competitive service employees and employees' dependents 100% of the insurance premiums.
- B. Retired competitive service employees and employees' dependents Eligible to participate in the City's self-insured dental and vision plans. The City will pay a percentage of the dental and vision insurance premium on behalf of the retiree and their dependents (the percentage covered by the City shall increase each year in accordance with the PERS Health Plan rate formula).

SECTION 10. Disability Insurance The City shall provide short-term and long-term disability insurance plans for all Management employees. The City shall pay one hundred percent (100%) of the premium for both plans.

SECTION 11. Vacation Leave All Management employees shall be granted annual vacation leave. The City Manager is authorized to establish a vacation reimbursement program so as to limit the City's annual accrued liability as he or she may deem appropriate. Annual vacation leave shall accrue on the following basis:

1 - 4 years service	120 hours/year
5+ years service	160 hours/year

Employees may accumulate an amount up to double their annual vacation accrual. Any excess "carryover" must be approved by the City Manager. Once the maximum accrual is reached, there is no more accrual of vacation until one goes below the maximum and has "cap room" to accrue.

Typically, any unused vacation time above one-half of the employee's annual vacation accrual may be subject to buyback. The buyback will be based on the number of unused vacation hours multiplied by the employee's hourly rate. In order to be eligible for the yearly buyback, an employee must utilize a minimum of forty (40) hours of vacation in the preceding year.

SECTION 12. Sick Leave All Management employees shall accrue annual sick leave at a rate of eight (8) hours per calendar month. Management employees shall be paid upon termination, any accumulated unused sick leave at the rate of 25% after five (5) years of service; 50% after ten (10) years of service; and 75% after fifteen (15) years service. Upon separation, unused sick leave shall be paid at a rate of 100% only if the employee places the entire amount, up to IRS annual limits, in his/her 457 or 401A account. Any amount exceeding the annual 457 or 401A plan amounts shall be paid in cash.

Employees are eligible to accumulate a maximum of 2,500 hours of sick leave. Employees hired on or after July 1, 2001 shall not be eligible for the payoff of unused accumulated sick leave upon separation as set forth above.

SECTION 13. Personal Necessity Leave Employees not participating in an alternative work schedule shall be granted personal necessity leave not to exceed five (5) days per year. Personal necessity leave shall be used for emergency or unforeseen necessities. Personal necessity leave shall be deducted from accumulated sick leave. Employees participating in an alternative work schedule shall not be granted personal necessity leave.

SECTION 14. Industrial Sick Leave All Management employees are entitled to industrial sick leave. See Personnel Rules and Regulations.

SECTION 15. Subpoenaed Absence All Management employees are entitled to a subpoenaed leave of absence. See Personnel Rules and Regulations.

SECTION 16. Jury Duty All Management employees are entitled to serve on jury duty. See Personnel Rules and Regulations.

SECTION 17. Leave of Absence Without Pay All Management employees are entitled to leave of absence without pay. See Personnel Rules and Regulations.

SECTION 18. Bereavement Leave All Management employees are entitled to bereavement leave. See Personnel Rules and Regulations.

SECTION 19. Catastrophic Leave All Management employees may receive catastrophic leave donations from other employees (on a voluntary basis) if the employee has a catastrophic medical condition which will require the employee to be on unpaid leave for at least one month. Provided the employee has exhausted all accrued sick leave; vacation; and compensatory time, a written request for donations shall be submitted to the Department Head. The request must be accomplished by a medical statement from the employee's attending physician which verifies the employee's need for an extended medical leave and must include a brief statement of the nature of the illness or injury and an estimated time the employee will be unable to work. Employees who receive donations under this procedure and who exhaust all donated sick leave may request an additional

donation period subject to the aforesated provisions.

SECTION 20. Military Leave of Absence All Management employees are entitled to military leave of absence. An employee who has been in the service of the city continuously for one year or more and is called into the Armed Services of the United States (Army, Navy, Marine Corps or Air Corps) for active reserve duty, shall be allowed a paid leave of absence for a period not to exceed thirty (30) days in any calendar year, provided that the period of active reserve duty does not exceed one hundred eighty (180) calendar days. An employee required to perform active duty with such organizations for a period in excess of that for which compensation may be paid hereunder may be granted a leave of absence without pay. City service shall not be deemed to be interrupted by such absence for the purpose of this resolution. An employee's employment status, with reference to promotion or continuance in office, employment, reappointment to office or re-employment, shall not be prejudiced directly or indirectly by reason of any absence from duty on account of actual service in the military forces of the United States.

SECTION 21. Administrative Leave All Management employees are entitled to administrative leave up to 100 hours per fiscal year. Administrative leave is subject to approval by the City Manager.

SECTION 22. Holidays The City shall recognize the following days as paid holidays for all Management employees:

2014

Veterans Day	Tuesday	November 11
Thanksgiving	Thursday	November 27
Day After Thanksgiving	Friday	November 28
Christmas Eve	Wednesday	December 24
Christmas	Thursday	December 25
New Year's Eve - 2 hours (1)	Wednesday	December 31

2015

New Years Day	Thursday	January 1
Martin Luther King's Birthday	Monday	January 19
Lincoln's Birthday (2)	Floater	Floater
President's Day	Monday	February 16
Memorial Day	Monday	May 25
Independence Day (3)	Floater	Floater
Labor Day	Monday	September 7
Veterans Day	Wednesday	November 11
Thanksgiving	Thursday	November 26
Day After Thanksgiving	Friday	November 27
Christmas Eve	Thursday	December 24
Christmas	Friday	December 25
New Year's Eve - 2 hours (1)	Thursday	December 31

2016

New Years Day	Friday	January 1
Martin Luther King's Birthday	Monday	January 18
Lincoln's Birthday (2)	Floater	Floater
President's Day	Monday	February 15
Memorial Day	Monday	May 30
Independence Day	Monday	July 4
Labor Day	Monday	September 5

- (1) New Year's Eve 2014 falls on a Wednesday, December 31st and New Year's Eve 2015 falls on Thursday, December 31, all City facilities will close 2 hours early, no later than 3:30pm.
- (2) Lincoln's Birthday has been changed to the employee's birthday, which may be used at any time during the fiscal year.
- (3) July 4, 2015 (the legal public holiday for Independence Day), falls on a Saturday; therefore Friday, July 3, is treated as a holiday. However, it falls on an alternate closed Friday and therefore is a designated floater day for fiscal year 2015/16.

SECTION 23. Travel, Miscellaneous Meetings and Convention Expenses

A. Automobile Allowance.

1. The City Manager may authorize automobile allowance to Management employees ranging from zero to three-hundred twenty-five dollars per month as deemed appropriate. Management employees and appointed officials, not receiving an automobile allowance, may claim automobile reimbursement on approved expense claim forms furnished by the Finance Department for the use of his/her own private automobile, in the course of his/her City employment or on City business. Such use of a private vehicle shall only be when the City vehicle is not available for transportation. Reimbursement at a rate consistent with the Internal Revenue Service standard may be approved for use of private vehicles on City business, within the City or within a radius of sixty miles therefrom. The City Manager may authorize, annually, increases in the automobile allowance in conjunction with the Consumer Price Index effective July 1st of each year.

B. Commercial Transportation Allowance All Management employees shall be entitled to the following allowance.

1. Allowance for use of commercial transportation shall be based upon scheduled airline coach rates in regard to all out-of-town travel on City business.
2. The use of private vehicles by Management employees or appointed officials on

City business or out-of-town trips, within the State, may be approved by the City Manager when use of commercial transportation is not available, economical or practical. If such persons prefer to use their private vehicle, they may be reimbursed the amount of the costs of commercial transportation only. The flat rate per mile set forth in Subsection A above will not apply in such cases.

3. When air, rail or public transportation is used, expenses necessary for local transportation, such as taxi cab and bus fare, will be allowed whenever such transportation is necessary for the conduct of City business after approval by the City Manager.

C. Out-of-City Travel, Meetings and Convention Expenses If, in the judgment of the City Manager, the estimated expenses of the approved contemplated travel, lodging and other related expenses pertinent to said trip are too high and would create a hardship for the employees to finance initially, the City Manager may authorize an advance payment of the estimated amount to the employee. Upon return of the employee from said trip, he/she shall submit an itemized statement as to his/her actual expenses. Final adjustments shall be made to the favor of the employee or the City, whichever the case may be. The cost of lodging and meals shall be at a reasonable rate and appropriate to the purpose of the trip.

D. Miscellaneous Expenses Telephone and telegraph charges incurred while on out-of-city business will be allowed for official calls as approved by the City Manager.

SECTION 24. Miscellaneous Provisions

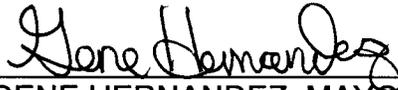
A. Avoidance of Inequities The City Manager may, after consulting with and receiving the approval of the City Council, authorize special adjustments to avoid or eliminate inequities resulting from the strict application of any provisions of this Resolution.

B. Administrative Regulations The City Manager is authorized to issue written administrative personnel regulations designed to augment or clarify the provisions of this Resolution.

SECTION 25. Effective Date Except as otherwise specified to the contrary in this Resolution, all provisions shall be effective as of October 1, 2014 pursuant to Minute Order action of the City Council on February 17, 2015.

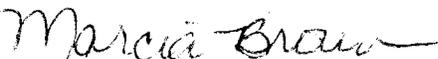
SECTION 26. Resolution No. 2013-5179 is hereby rescinded in its entirety.

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council of the City of Yorba Linda on this 17th day of February 2015.



GENE HERNANDEZ, MAYOR
CITY OF YORBA LINDA

ATTEST:



MARCIA BROWN, CITY CLERK
CITY OF YORBA LINDA

APPROVED AS TO FORM:
RUTAN & TUCKER LLP



CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF ORANGE) **ss.**

I, **MARCIA BROWN**, City Clerk of the City of Yorba Linda, California, **DO HEREBY CERTIFY** that the foregoing Resolution was adopted at a regular meeting of the City Council of the City of Yorba Linda held on the 17th day of February, 2015, and was carried by the following roll call vote:

AYES: COUNCILMEMBERS: **HERNANDEZ, HUANG, LINDSEY, SCHWING**
NOES: COUNCILMEMBERS: **YOUNG**
ABSENT: COUNCILMEMBERS: **NONE**



MARCIA BROWN, CITY CLERK
CITY OF YORBA LINDA