

RESOLUTION NO. 107-13 OF THE CITY COUNCIL OF THE CITY OF PIEDMONT APPROVING A POLICY STATEMENT REGARDING MANAGEMENT PERSONNEL APPROVING AND AUTHORIZING A SPECIFIED COMPENSATION PROGRAM FOR THE **FINANCE DIRECTOR** AND SETTING FORTH OTHER TERMS AND CONDITIONS OF EMPLOYMENT.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PIEDMONT AS FOLLOWS:

SECTION 1 - POLICY STATEMENT REGARDING MANAGEMENT PERSONNEL

The City Council wishes to acknowledge the special public service rendered by the City's management personnel. Management personnel consists of all department heads and the City Administrator. Under the operational coordination of the City Administrator, management personnel are responsible for producing the quality and effectiveness of City services, as required by the City Council. They organize subordinates into effective work units, administer ongoing programs, motivate personnel, resolve operational problems and apply the full range of modern management techniques. Management personnel often speak directly for the City government and, thus have a decisive effect on how the City is judged. The public's view of the City's ethical and administrative standards results from observation of the conduct and problem solving abilities of management personnel in their extensive public contacts.

Management personnel work whatever extra hours are required for appearances before Council, City boards and commissions, citizens' groups and intergovernmental bodies; for maintenance of essential services during emergencies; and for accomplishment of work assignments which often impose irregular hours and time expenditures for in excess of the conventional workweek.

Therefore, considering the special responsibilities inherent in the management role, the City Council adopts the following policy regarding management personnel compensation:

Compensation shall reflect the greater level of responsibility characteristic of managerial positions.

In determining compensation, consideration shall be given to various pertinent factors, which may among other include the following:

- a. Maintaining a comparative and relative relationship with similar positions in other comparable public agencies within the City's local labor market area; and
- b. The City's budgetary considerations.

Levels of compensation shall be reviewed in June 2017 by the City Council in light of the foregoing considerations and, if appropriate, suitable adjustments made upon consideration of the City Administrator's recommendation.

SECTION 2 - HOURS OF WORK

2.1 Workday and Workweek

It is expected that management employees will work as many hours per day as are necessary to fulfill the requirements of their position. The typical minimum workweek is 37.5 hours, except when vacation, sick or other approved leave is taken.

2.2 Personal Leave

The employee is authorized to receive up to eight (8) days of personal leave with pay each year upon the City Administrator's approval as recognition for management responsibilities. Any personal leave unused at December 31st of any year may not be carried over for use in a subsequent year, nor shall payment be made for unused leave for any reason.

2.3 Work Performed During Disaster

Work required by reason of civil disaster shall not be compensable. All employees shall have the duty and obligation to perform emergency work in the City of Piedmont upon proper authority declaring such emergency.

SECTION 3 - SALARY ADMINISTRATION

3.1 Salary - Monthly

As of July 1, 2013, the rate of pay for the Finance Director is \$12,016.67 per month.

Salary increases for the remaining contract years will be as follows:

3% effective July 1, 2014

3% effective July 1, 2015

3% effective July 1, 2016

If, during the term of this agreement, any other bargaining unit is offered a cost of living increase, then the same increase will take effect for the Finance Director.

3.2 Retirement Plan

The City contracts with the California Public Employees Retirement System (CalPERS) for employee retirement benefits, and all eligible employees covered by this Resolution are CalPERS members.

3.2.1 Retirement – Employees Hired On or After August 21, 2012 And Employees Hired After January 1, 2013 With Pension Reciprocity

This section 3.2.1 shall apply to employees hired on or after August 21, 2012, and employees hired after January 1, 2013 with pension reciprocity who are contributing members of CalPERS.

A. Final Compensation Based on Three Year Average

For purposes of determining a retirement benefit, final compensation for employees covered by this section 3.2.1 shall be based on the member's highest three-year average.

B. 2.0% @ 60 Pension Formula

The 2.0% at 60 pension formula shall be available to all employees covered by this section 3.2.1 who are contributing members of CalPERS.

C. Required Employee Contribution

Members covered by this section 3.2.1 will contribute the employee contribution amount established by CalPERS for the 2.0% @ 60 Pension Formula according to the following schedule, and the City will contribute any remaining amount (The required employee contribution amount was 7% as of the date of this Resolution):

- 2% effective (upon ratification).
- 4 % effective July 1, 2014.
- 6 % effective July 1, 2015.
- 7 % effective July 1, 2016.

In the event employee contribution rates are adjusted by CalPERS during the term of this Resolution, the employee contribution schedule will be recalculated based upon the updated required employee contribution rate established by CalPERS, and any increased employee contribution above 7% will be paid by employees when the CalPERS increase is effective.

D. Additional Required Employee Contribution

In addition to the required employee contribution, employees covered by this section 3.2.1 will contribute an additional amount as follows:

- 50% of the City's PERS contribution for the 2% @ 60 Plan above 22.089%. In the event the City refinances the CalPERS Side Fund, the City's employer contribution rate cap will be decreased based on the Amortization of Side Funds" rate in the current "Actuarial Valuation for the Miscellaneous Plan of the City of Piedmont."

3.2.2 Retirement – Employees Hired On or After January 1, 2013 Without Pension Reciprocity

This Section 3.2.2 shall apply to employees hired on or after January 1, 2013, without pension reciprocity, who are contributing members of CalPERS.

A. Final Compensation Based on Three Year Average

For purposes of determining a retirement benefit, final compensation for employees covered by this section 3.2.2 shall be based on the member's highest three-year average.

B. 2.0% @ 62 Pension Formula

The 2.0% at 62 pension formula shall be available to all employees covered by this section 3.2.2 who are contributing members of CalPERS.

C. Required Employee Contribution

Members covered by this section 3.2.2 will contribute 50% of normal costs as established by CalPERS for the 2.0% @ 62 Pension Formula. The required contribution amount was 6.25% as of the date of this Resolution.

In the event employee contribution rates are adjusted by CalPERS during the term of this Resolution, the employee contribution will be recalculated based upon the updated required employee contribution rate established by CalPERS.

D. Additional Required Employee Contribution

In addition to the required employee contribution, members covered by this section 3.2.2 will contribute an additional amount as follows:

- 50% of the City's PERS contribution for the 2% @ 62 Plan above 22.089%. In the event the City refinances the CalPERS Side Fund, the City's employer contribution rate cap will be decreased based on the Amortization of Side Funds" rate in the current "Actuarial Valuation for the Miscellaneous Plan of the City of Piedmont."

3.2.3 Retirement – All Employees

The City will maintain the IRS 414(h)(2) provision allowing the employee to defer State and Federal income taxes on their CalPERS contributions. The required employee contributions described in Section 3.2 shall continue in effect until modified by a subsequent Council Resolution.

3.3 Conversion of Salary to ICMA Deferred Compensation

The employee may convert salary to deferred compensation through ICMA to the extent allowed by law. Contributions to ICMA-DC are subject to federal tax deferral regulations.

SECTION 4 - HOLIDAYS

4.1 Holidays Observed

There shall be 12 designated paid holidays:

JANUARY 1	New Year's Day
JANUARY (3rd Monday)	Martin Luther King's Birthday
FEBRUARY (3rd Monday)	President's Day
MAY (last Monday)	Memorial Day
JULY 4	Independence Day
SEPTEMBER (1st Monday)	Labor Day
NOVEMBER 11	Veteran's Day
NOVEMBER (4th Thursday)	Thanksgiving
NOVEMBER (4th Friday)	Day after Thanksgiving
DECEMBER 24	Christmas Eve
DECEMBER 25	Christmas Day
EMPLOYEE'S BIRTHDAY	

In addition to the above designated twelve paid holidays, there shall be one floating paid holiday on a day mutually agreeable between the employee and the City Administrator.

4.2 Employee's Birthday

The employee's birthday may be taken as a paid holiday on a date other than that on which the birthday falls, subject to approval of the City Administrator.

4.3 Holidays Observed as Workdays

In the event that any holiday listed above shall fall on a Saturday, such holiday shall be observed on the preceding Friday. In the event that any holiday listed above shall fall on a Sunday, such holiday shall be observed on the following Monday.

SECTION 5 - VACATION

5.1 Vacation Accrual Rate

The employee shall accrue annual vacation leave as follows:

First 9 years	15 days per year
10 through 12 years	17 days per year
13 through 15 years	19 days per year
16 through 19 years	20 days per year
20 years and after	22 days per year

Employee shall be eligible for vacation leave after the completion of six (6) consecutive months of service.

5.2 Date When Vacation Credit Starts

Vacation credit shall begin as of the date of employment. In the event the date of employment is not the first (1st) day of the pay period, then the vacation credit for that pay period shall be prorated in accordance with the actual time worked in the pay period.

5.3 Holiday Falling During Vacation

In the event that a holiday specified above occurs during a period of authorized vacation leave, said holiday shall be charged as a holiday, not as a day of vacation leave.

5.4 Use of Sick Leave During Vacation

An employee who is injured or becomes ill while on vacation may be paid for sick leave in lieu of vacation.

5.5 Accumulation

An employee shall be allowed to accumulate a maximum of two (2) years' vacation accrual at any one (1) time.

5.6 Vacation Sellback

Management employees may elect to convert for payment in cash accrued vacation based upon the following formula:

0-5	years employment	two weeks vacation buyback
Over	five years employment	three weeks vacation buyback

In no case shall the employee's remaining accrued vacation be less than two (2) weeks.

SECTION 6 - SICK LEAVE

6.1 Accrual

The employee shall accrue sick leave at the rate of 4.69 hours for each pay period of service (based upon a semimonthly pay period).

Upon hire, the Finance Director will be advanced two weeks of sick leave. The sick leave allotment will be repaid through semi-monthly payroll accruals until the entire amount has been earned. If the advance is used and employment ends before the entire sick leave allotment is repaid, then the remaining balance of the advance shall be deducted from final compensation.

6.2 Usage

The employee is entitled to be paid for sick leave used, to a maximum of time accrued, under the following conditions:

- a. The employee's illness or injury incapacitates him or her from performance of duties.
- b. The employee's receipt of required medical or dental care or consultation.
- c. At the discretion of the City Administrator, evidence of medical or dental care or consultation may be required of the employee.

Employees may use up to 50% of their annual sick leave accrual to care for their sick child, parent, spouse, registered domestic partner* or the child of a registered domestic partner. Medical verification may be required.

**A registered domestic partnership requires filing an Affidavit of Domestic Partnership with the Human Resources Department of the City of Piedmont.*

6.3 Lapse

In the event of termination or resignation, all unused sick leave shall lapse and not carry over or be owed to the employee in cash or otherwise.

SECTION 7 - LEAVES

7.1 Funeral Leave

In the case of death within the immediate family of an employee, such employee shall be entitled to leave from duty with pay in order to attend the funeral or memorial service for a period of up to three (3) working days. The immediate family of any employee, for the purpose of this section, shall be defined as: Wife, husband, mother, father, sister, brother, child, grandmother, grandfather, mother-in-law, father-in-law, daughter-in-law, son-in-law grandchildren and registered domestic partner. Leave of absence with pay because of death in an employee's immediate family is allowed solely for the purpose of attending funeral and memorial services, and such leave shall not be charged against vacation or sick leave which an employee may be entitled to, but may be in addition thereto. The City Administrator may grant death leave in accordance with this section for the death of a person not included within the definition of the immediate family.

7.2 Leave of Absence Without Pay

If the employee desires a leave of absence without pay or any reason, he shall secure permission from the City Council upon recommendation of the City Administrator.

7.3 Military Leave

Employees who are called upon to perform active annual training duty or temporary special services as a member of any Armed Forces reserve and who lose time from their regular scheduled workweek shall be paid the difference between the pay received from the federal or state government for such reserve duty and their normal weekly earnings not to exceed two (2) weeks annually.

7.4 Jury Duty

Any employee required to serve as a juror in a civil or criminal action pending in a superior, municipal or justice court of the State of California or any federal court convening in the State of California or any employee required to report for the selection of a jury in any of these courts shall receive pay for the time such service requires his/her absence from work; provided, however, that the City Administrator may require proof of the time such service was required and any monies received from jury service shall be remitted to the city.

7.5 Family and Medical Leave

Employees are eligible for unpaid leave under the federal Family and Medical Leave Act (FMLA) and the California Family Rights Act (CFRA). The provisions of this Agreement will be applied in conformance with the provisions of FMLA and the CFRA in effect at the time the leave is granted and in conformance with City policies and practice.

Eligibility

To be eligible for family care and medical leave, on the date on which leave is to begin, an employee must have been employed by the City for a total of at least 12 months, and have been employed for at least 1,250 hours of service during the previous 12 months.

Family Care & Medical Leave Entitlement

Subject to the provisions of this Agreement and state and federal law, including the FMLA and CFRA, an eligible employee is entitled to a total of 12 workweeks of unpaid leave during any 12 month period for any one, or more, of the following reasons:

- The birth of a child and to care for the newborn child;
- The placement with the employee of a child for adoption or foster care by the employee;
- To care for the employee's child, parent, spouse, or registered domestic partner (CFRA only) who has a serious health condition;
- Because of an employee's own serious health condition that makes the employee unable to perform the functions of the employee's position, except for disability on account of pregnancy, childbirth, or related medical conditions, which is covered by pregnancy disability leave (CFRA); and
- Because of any qualifying exigency arising out of the fact that the employee's spouse, son, daughter, or parent is a covered military member on active duty (or has been notified of an impending call or order to active duty) in support of a contingency operation (FMLA).

Family Care & Medical Leave to Care for a Covered Service Member with a Service Injury or Illness

Subject to the provisions of this Agreement and state and federal law, an eligible employee is eligible to take FMLA leave to care for a covered service member with a serious injury or illness if the employee is the spouse, son, daughter, parent, or next of kin of the service member.

An eligible employee's entitlement is limited to a total of 26 workweeks of leave during a "single 12-month period" to care for a service member with a serious injury or illness. The City shall determine the "single 12-month period" in which the 26-weeks-of-leave-entitlement described in this paragraph occurs using the 12-month period measured forward from the date of the employee's first FMLA leave to care for the covered member begins. During the "single 12-month period" described above, an eligible employee's FMLA leave entitlement is limited to a combined total of 26 workweeks of FMLA leave for any qualifying reason.

Pay Status and Benefits during Family Care & Medical Leave

Except as provided in this section, the family care and medical leave will be unpaid. The City will, however, continue to provide City contributions toward group health benefits during the period of leave on the same basis as coverage would have been provided had the employee not taken family care and medical leave. The employee will be required to continue to pay the employee's share of monthly premiums payments, if any.

Relationship of Family Care and Medical Leave to Other Leaves

Any leave of absence that qualifies as family care and medical leave and is designated by the City as family care and medical leave will be counted as running concurrently with any other paid or unpaid leave to which the employee may be entitled for the same qualifying reason.

Relationship to Pregnancy Disability Leave

The family care and medical leave provided under this section is in addition to any leave taken on account of pregnancy, childbirth, or related medical conditions for which an employee may be qualified under state law.

Employee's Status on Returning from Leave

Except as provided by law, on return from family care and medical leave, an employee is entitled to be returned to the same position the employee held when leave commenced, or to an equivalent position with equivalent benefits, pay, and other terms and conditions of employment. An employee has no right to return to the same position. The leave shall not constitute a break in service for purposes of longevity or seniority under this Agreement or any employee benefit plan. For purposes of layoff, promotion, job assignment, and seniority-related benefits, the employee returning from family care and medical leave shall return with no less seniority than he or she had when the leave began.

Fitness for Duty

As a condition of returning from leave taken because of the employee's own serious health condition, the employee is required to provide the City with certification from the employee's health care provider that the employee is able to resume work and perform the employee's job duties.

SECTION 8 - INJURY PAY

The employee who first loses time from work as the result of a work related illness or injury shall receive their normal salary for the duration of the disability or thirty (30) working days whichever is the lesser. If the employee is disabled for a period in excess of thirty (30) working days, such excess period shall be compensated by paid benefits pursuant to State Workers' Compensation laws. The employee shall be entitled to use accrued sick leave, compensatory time or vacation to supplement such worker's compensation benefits. In no case shall the employee be entitled to receive more than 100% of the normal salary. An employee who has returned to work after a period of disability as the result of an original injury and subsequently loses time from work again as the result of an aggravation of or reoccurrence of the original injury shall in no case receive their normal salary for a period of time to exceed thirty (30) working days including those days first lost from work as the result of the original injury.

SECTION 9 - HEALTH PLAN AND LIFE INSURANCE

9.1 Health Benefits

The City will provide medical care and hospitalization insurance benefits by participation in the PERS Health Benefits Program, PEMCHA (The Public Employees' Medical and Hospital Care Act) or through alternative insurance plans. The City also provides dental care and vision benefits.

9.2 City Contribution Toward Medical Insurance Premiums

The City's maximum contribution toward the premium costs of an employee's medical benefits is based on the 2013 PERS Kaiser Bay Area premium rates. The City will contribute monthly the following contribution toward the premium costs of an eligible employee's elected medical coverage. The City contribution includes the minimum statutory PEMCHA contribution and a supplemental amount for active employees.

- Employee only: \$ 668.63
- Employee +1: \$1,337.26
- Employee +family: \$1,738.44

All PERS Kaiser Bay Area premium increases above these amounts shall be shared equally between the City and the employee. Employees electing coverage costing more than the City's contribution (2013 PERS Kaiser Bay Area rate + 50% of any subsequent increases) shall pay the difference through automatic payroll deduction.

Employees electing coverage costing more than the City's contribution shall pay the difference through automatic payroll deduction.

9.3 Retiree Medical Insurance

9.3.1 Retiree medical insurance is available for eligible employees who retire from the City of Piedmont. The amount paid on behalf of retirees and/or their eligible survivors shall increase annually as required by PERS regulations until it reaches the amount paid for active employees and their dependents.

All employees eligible for retiree medical insurance will contribute \$50 semi-monthly by payroll deduction.

9.3.2 The City shall adopt the Government Code Section 22893 vesting schedule for retiree medical benefits that shall apply to all employees who are hired on or after the effective date of the City resolution electing this vesting method. Employees hired after the effective date of this vesting schedule shall not be required to make the employee contribution described in Section 9.3.1.

9.4 Dental Insurance Plan

The City shall pay the cost of providing each eligible employee and his/her eligible dependents dental care benefits under a group insurance plan in effect at the time of this resolution. Orthodontic care is included in the group policy, and covers up to 70% of the cost

for adults and children (lifetime maximum of \$5,000).

9.5 Life Insurance

The City shall pay the cost of providing each employee with a group term life insurance policy in effect at the time of this resolution in an amount equal to twice the employee's gross annual salary, rounded to the nearest one thousand dollar (\$1,000) increment. The City's payment shall cease upon the employee's separation from City service, but the employee may elect to retain such policy (if conversion is available) at his/her sole expense.

9.6 Alternative Coverage

In the event that it may be possible to provide an alternative hospital-medical, life insurance and dental coverage as nearly comparable as possible to the benefits in effect at the date of this resolution without additional cost to the City or the employees, the City may substitute new insurance carriers. Employee will have the opportunity to review the coverage afforded under such substitute plans before they are implemented.

9.7 Cafeteria Plan

Without a change in the City's maximum contribution toward hospitalization and medical care (Section 9.2), dental insurance (9.4), and vision insurance (Section 9.9) benefits, the City may provide these benefits through a cafeteria plan. In the event the City decides to implement a cafeteria plan during the term of the Resolution, the City will provide the Finance Director an opportunity to review and discuss with the City any planned cafeteria plan prior to implementation by the City.

9.8 Disability Insurance

The City shall continue in effect at no cost to the employee, the salary continuance disability insurance policy in effect at the time of this resolution or any other such successor program which provides essentially comparable benefit, which provides disability benefits equal to sixty (60) percent of any employee's current gross salary following a sixty (60) day absence due to non job related injury or illness.

9.9 Vision Plan

The City shall pay the cost of providing each eligible employee and his/her eligible dependents vision coverage under a group insurance plan in effect at the time of this agreement.

SECTION 10 - MISCELLANEOUS PROVISIONS

10.1 Auto Allowance

The Finance Director shall be compensated in the amount of \$200.00 per month for use of his automobile for official business.

10.2 Termination Pay

Upon termination or resignation requested by the City Council, the City will provide the employee at least one (1) month's pay and benefit coverage as set forth in Sec. 3 hereof, or more at its discretion. This section would not apply in the event of the employee's voluntary resignation or removal from office involving conviction of a felony, gross negligence or dereliction of duty, dishonest or immoral conduct, intemperance which interferes with job

performance or conviction of a misdemeanor involving moral turpitude.

10.3 Community Activity Reimbursement

Upon approval of the City Administrator, the employee may be reimbursed up to a maximum of two hundred (\$200) per year for attendance at community activities.

10.4 Tuition Reimbursement

The City shall reimburse an employee for tuition and books for courses of study in an off-duty status not to exceed three thousand dollars (\$3,000.00) per fiscal year if the subject matter content of the course is related to the employee's work assignment promotional opportunities, transfer opportunities, or is a course required for the attainment of a degree or certificate program. The employee may also use this provision to be reimbursed for all costs associated with maintaining his CPA license, including continuing education and related renewal license fee costs, including CPA renewal.

The employee must have his/her request approved by the City Administrator, which approval is subject to available budgeted funds, prior to enrolling in the course in order for the employee to be assured of reimbursement. Upon completion of this course, the employee must submit appropriate receipts for books and tuition in order to be eligible for reimbursement.

10.5 Schoolmates Program

The children of the Finance Director are eligible to attend the Schoolmates program at no charge.

BE IT FURTHER RESOLVED that Resolution No. 17-13 is hereby rescinded, and that this resolution shall constitute the sole statement of compensation and benefits for the Finance Director of the City of Piedmont until June 30, 2017.

I certify that the foregoing resolution was passed and adopted at a regular meeting of the Piedmont City Council on November 18, 2013, by the following vote:

Ayes: Chiang, Keating, McBain, Wieler

Noes: None

Absent: Fujioka

Attest: _____

John Tulloch, City Clerk