



SCHEDULE OF BENEFITS

FOR

EXECUTIVE MANAGEMENT EMPLOYEES

EFFECTIVE: July 1, 2017 – June 30, 2021

**EXECUTIVE MANAGEMENT BENEFITS
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SECTION I. GENERAL PROVISIONS

The provisions of this resolution describe and authorize compensation and terms of employment for unrepresented employees in the following job classifications for the period from July 1, 2017 to June 30, 2021:

Non-Sworn

Assistant City Manager/Personnel Administrator
Public Works Director/City Engineer
Community Services Director
Development Services Director
Finance Director

Sworn

Chief of Police

In accordance with Personnel Rules Section 2.01.1(f), the above listed positions are exempt from the competitive service and are employed in an At-Will capacity. Personnel Rules Section 4.06 stipulates, "At-Will positions and employment are those which may

be terminated with or without notice at any time by the City Manager or his/her designee.”

The provisions of this resolution shall continue and remain in full force and effect until such time as any modifications or amendments are approved by the City Council.

This resolution does not create any contractual right, or any express or implied contract of employment. The City of San Pablo retains the full discretion to modify this resolution at any time in accordance with law.

SECTION II. SALARIES

2.1 General Increases

Executive Managers will receive salary increases as follows:

Effective July 1, 2017, there will be a three percent (3%) Cost of Living Adjustment for all classifications covered by this resolution.

Effective July 1, 2018, there will be a three percent (3%) Cost of Living Adjustment for all classifications covered by this resolution.

Effective July 1, 2019, there will be a three percent (3%) Cost of Living Adjustment for all classifications covered by this resolution.

Effective July 1, 2020, there will be a three percent (3%) Cost of Living Adjustment for all classifications covered by this resolution.

2.2 Equity Adjustments

Effective July 1, 2017, salary schedules for job classifications that are more than five percent (5%) below the median of comparable cities, according to the City’s 2017 total compensation survey prepared by Bryce & Associates, dated March 2017, shall be increased to five percent (5%) below the median. Any cost of living adjustment will be applied after the equity adjustment has been applied. In accordance with the above, the following job classifications shall receive an equity adjustment in the following amounts:

Finance Director (9.15% equity adjustment)

Public Works Director (10.81% equity adjustment)

2.3 Paydays

The City shall pay all employees on the fifth (5) and twentieth (20th) of each month. Should the regular payday occur on a Saturday or Sunday, payment shall be made on the preceding Friday. Should a holiday occur on the regularly scheduled payday, checks shall be issued on the day preceding the holiday.

SECTION III LONGEVITY

Executive Management employees shall receive longevity pay based on their years of service with the City, as follows:

- Full-time employees who complete fifteen (15) years of continuous service with the City of San Pablo shall receive an additional three percent (3%) of base salary as a longevity incentive.
- Full-time employees who complete twenty (20) years of continuous service with the City of San Pablo shall receive an additional two percent (2%) of base salary for a total of five percent (5%) base salary as a longevity incentive.
- Full-time employees who complete twenty-five (25) years of continuous service with the City of San Pablo shall receive additional two percent (2%) of base salary for a total of seven percent (7%) base salary as a longevity incentive.

The percentage increases shall not be cumulative.

For the purpose of calculating longevity pay eligibility, one (1) “year of service” shall be defined as one (1) full time year of service (regularly scheduled one thousand nine hundred fifty (1,950) hours of work, which may include additional hours in accordance with Fair Labor Standards Act (FLSA) exempt status, and including use of paid time off).

Continuous service with the City for the purpose of longevity pay eligibility shall be defined as service not broken by a break in service of six (6) months or longer following separation.

SECTION IV. HOURS OF WORK

- A. The work schedule for Executive Management employees is flexible. To be consistent with City Hall office hours and Police Department work shifts, the following is a guideline for normal, full time, work schedules:

8/75 Work Schedule: Employees assigned to an 8/75 Work Schedule shall work four (4), nine and one-half (9.5) hour workdays, Monday through Thursday. Employees will take an additional half-hour for their lunch period on one day per week to result in an average of 9.375 hours per workday, and thirty-seven and one-half (37.5) hours per workweek. Employees will have every Friday as a day off.

4/10 Work Schedule: The Chief of Police will work a four-ten work schedule and will work four (4) consecutive ten (10) hour shifts followed by three (3) consecutive days off in a workweek. Hours will be selected based on the needs of the department.

- B. Actual work schedule maybe adjusted to the benefit of public service. While an employee may request a particular work schedule, final assignment is subject to the needs of the City and requires supervisor approval. The business needs of the City may require FLSA exempt employees to work additional hours, beyond those listed above, without additional overtime compensation.

SECTION V. ADMINISTRATIVE LEAVE

5.1 Non-Sworn

In recognition of the requirement that Executive Management employees work in excess of a normal work week, including night meetings of the City Council, various Boards and Commissions and ad hoc committees, one hundred twelve and one half (112.50) hours of administrative leave shall be granted by the City Manager at such times as he may determine that said leave is in the mutual interest of City and the employee. New employees shall receive credit for Administrative Leave based on hire date as follows:

| <u>Hire date</u> | <u>Hours credited</u> |
|-------------------------|-----------------------|
| July 1 through Sept 30 | 112.5 |
| Oct 1 through Dec 31 | 75.0 |
| Jan 1 through Mar 31 | 37.5 |
| April 1 through June 30 | 0 |

Any unused balance of Administrative Leave available as of 12:00 midnight, June 30th, shall be forfeited. Accrued, unused administrative Leave shall have no cash value and shall not be subject to cash out during or upon separation from employment.

Employees who are authorized to work on a reduced work schedule shall accrue administrative leave in the prorated amount proportionate to the ratio of scheduled work hours of the standard workweek.

5.2 Sworn

In recognition of the requirement that Executive Management employees work in excess of a normal work week, including night meetings of the City Council, various Boards and Commissions and ad hoc committees, one hundred twenty (120) hours of administrative leave shall be granted by the City Manager at such times as he may determine that said leave is in the mutual interest of City and the employee. New employees shall receive credit for Administrative Leave based on hire date as follows:

| <u>Hire date</u> | <u>Hours credited</u> |
|------------------------|-----------------------|
| July 1 through Sept 30 | 120 |

| | |
|-------------------------|----|
| Oct 1 through Dec 31 | 80 |
| Jan 1 through March 31 | 40 |
| April 1 through June 30 | 0 |

Any unused balance of Administrative Leave available as of 12:00 midnight, June 30th, shall be forfeited. Accrued, unused administrative Leave shall have no cash value and shall not be subject to cash out during or upon separation from employment.

Employees who are authorized to work on a reduced work schedule shall accrue administrative leave in the prorated amount proportionate to the ratio of scheduled work hours of the standard workweek.

SECTION VI. HEALTH BENEFITS

6.1 Medical Insurance, Dental Insurance and Vision Care Contributions

Executive Management employees shall receive medical and dental benefits for themselves and dependent family members, as follows:

A. Medical Insurance

The City is a participating employer in the Public Employees’ Medical and Hospital Care Act (PEMHCA), the medical insurance program sponsored by CalPERS. Upon the City’s adoption of the amendment to the City’s contract with CalPERS for PEMHCA participation, the maximum City contribution per month for medical insurance for each active employee and each qualifying annuitant enrolled in CalPERS health insurance through the City shall be the minimum employer contribution as determined by CalPERS.

B. Flexible Benefit Plan

The City maintains a Flexible Benefit Plan that constitutes a cafeteria plan within the meaning of Section 125 of the Internal Revenue Code. The Flexible Benefit Plan allows active employees to pay for actual medical plan premiums and other qualified expenses on a pre-tax basis.

Between July 1, 2017 and December 31, 2017, the City will contribute, on behalf of each eligible employee enrolled in City-provided health insurance, solely for the purchase of medical insurance coverage that is affordable and provides minimum essential coverage as defined by the Affordable Care Act, an amount up to:

- the premium for the employee’s selected, City-provided group health

- insurance plan at the selected level of coverage;
- minus the City's minimum, monthly employer contribution required for participation in PEMCHA paid separately by the City to CalPERS;
- minus one hundred and fifty dollar (\$150) to be paid by the employee if enrolled in a Kaiser plan, or minus twenty percent (20%) of the group health insurance premium to be paid by the employee if enrolled in a non-Kaiser plan.

Between January 1, 2018 and June 30, 2019, the City will contribute, on behalf of each eligible employee enrolled in City-provided health insurance, solely for the purchase of medical insurance coverage that is affordable and provides minimum essential coverage as defined by the Affordable Care Act, an amount up to:

- ninety percent (90%) of the premium for the employee's selected, City-provided group health insurance plan at the selected level of coverage up to the amount equal to ninety percent (90%) of the selected level of coverage for the Kaiser plan;
- minus the City's minimum, monthly employer contribution required for participation in PEMHCA.

The employee health insurance premium cost-share for employees enrolled in Kaiser coverage shall not exceed one hundred and fifty dollars (\$150).

Effective July 1, 2019, the City will contribute, on behalf of each eligible employee enrolled in City-provided health insurance, solely for the purchase of medical insurance coverage that is affordable and provides minimum essential coverage as defined by the Affordable Care Act, an amount up to:

- ninety percent (90%) of the premium for the employee's selected, City-provided group health insurance plan at the selected level of coverage up to the amount equal to ninety percent (90%) of the selected level of coverage for the Kaiser plan;
- minus the City's minimum, monthly employer contribution required for participation in PEMCHA paid separately by the City to CalPERS.

The City may adjust the above amounts in an employee's favor to comply with the requirements of the Affordable Care Act.

C. In Lieu or Dual Medical Coverage

In the event an eligible employee elects to waive participation in City-provided health insurance due to coverage in a group health plan from another source (e.g. spouse, parent, etc.), the employee shall receive the appropriate in-lieu amount:

\$500.00 – Family coverage or two-party coverage

\$350.00 – Single party coverage

The employee may receive the in-lieu amount in cash (taxable) or they may elect to contribute the in-lieu amount (not taxable) towards the 457 ICMA Deferred Compensation Plan as a supplemental retirement benefit.

To elect this option, the employee shall demonstrate that he or she is adequately covered at the applicable level of coverage by another source of group health insurance. If an employee loses primary coverage, he or she shall be covered by the City health plan as soon as possible, in accordance with CalPERS regulations and this MOU.

The City's obligation to pay the in lieu amount may be conditioned upon the employee providing reasonable evidence and attestation that the employee and all individuals in the employee's expected tax family have alternate minimum essential coverage for every plan year in which the employee receives the in lieu amount, in accordance with IRS requirements for an eligible opt out program.

The City shall not pay the in lieu amount if the City knows or has reason to know that the employee or individual in the employee's tax family does not have qualifying alternate coverage.

D. Dental Plan

For employees enrolled in the City-provided dental insurance plan, the City will contribute through the Flexible Benefit Plan the full premium for dental insurance coverage (which includes a 50/50 orthodontia plan for children only with three thousand dollars (\$3,000) maximum) for the employee and eligible dependent family members.

6.2 Reimbursable Expenses and Flexible Spending Account

The City provides a Flexible Spending Account (FSA), which allows employees to contribute a portion of their regular earnings to pay for qualified dependent care and medical expenses before earnings are subject to payroll taxes, in accordance with IRS regulations.

The City will contribute to the Flexible Spending Account the amounts listed below based on the assumption that the following arrangement falls within the IRS guidelines:

\$225.00 for 7/1/17 through 12/31/17
\$450.00 for 1/1/18 through 12/31/18
\$450.00 for 1/1/19 through 12/31/19
\$450.00 for 1/1/20 through 12/31/20
\$225.00 for 1/1/21 through 06/30/21

New employees shall receive a prorated Flexible Spending Account contribution based on hire date or promotion date as follows:

| Hire Date | 7/1-9/30 | 10/1-12/31 | 1/1-3/31 | 4/1-6/30 |
|-----------|----------|------------|----------|----------|
| FY 17/18 | 225.00 | 112.50 | 450 | 337.50 |
| FY 18/19 | 225.00 | 112.50 | 450 | 337.50 |
| FY 19/20 | 225.00 | 112.50 | 450 | 337.50 |
| FY 20/21 | 225.00 | 112.50 | 225 | 112.50 |

In-lieu medical and vision care and other reimbursable expense amount, including this Flexible Spending Account contribution, will also be prorated.

In accordance with IRS regulations, any unused amounts contributed to the FSA shall not be reimbursed to the employee should employee fail to submit proof of eligible reimbursable expenses during a calendar year. However, up to five hundred dollars (\$500) of unused amounts remaining at the end of a plan year in a health FSA may be paid or reimbursed to plan participants for qualified medical expenses incurred during the following plan year. All other unused amounts in an employee's FSA cannot be rolled over to the next calendar year.

6.3 Proration

Any classification employee authorized to work at a reduced schedule (at least thirty (30) hours per week or eighty percent (80%) of the normal work schedule) shall receive prorated benefits, including vacation, sick leave, other leave, medical, dental, and vision premiums, in-lieu payout and other reimbursable expense amounts. The reduced work schedule shall be authorized by the City Manager or designee.

SECTION VII. EMPLOYEE ASSISTANCE PROGRAM

The City will provide an Employee Assistance Counseling Program for all Executive Management employees.

SECTION VIII. LONG TERM DISABILITY INSURANCE

A. Non-Sworn

The City shall continue to provide a long term disability benefit for non-sworn Executive Managers, covering two-thirds (2/3) of monthly salary up to a maximum amount specified by the plan, after a thirty (30) day qualification period.

B. Sworn

The Chief of Police shall be enrolled in a non-voluntary LTD plan for sworn personnel. The City shall contribute twenty-four dollars and fifty cents (\$24.50) per month for this benefit.

SECTION IX. LIFE INSURANCE

The City shall pay premiums for a one hundred thousand dollar (\$100,000) life insurance policy for Executive Management Employees.

An additional Life Insurance policy shall be made available to dependents of the employee, as mandated by the existing Life Insurance Program, at the total expense of the employee.

SECTION X. RETIREMENT AND SURVIVOR BENEFIT

10.1 Retirement Benefit:

A. Non-Safety

1. Non-Safety Tier One Pension:

- a. Formula: The City shall provide the full formula of two and one half percent (2.5%) at age 55 calculated on the single highest year for local miscellaneous members considered "classic" members of CalPERS.
- b. Member Contribution: Employees in Non-Safety Tier One Pension shall pay the statutory member contribution required by CalPERS, in addition to the cost share requirement described below.
- c. Employee Cost Sharing: Employees in Non-Safety Tier One pension are required to pay two and three-tenths percent (2.3%) of reportable compensation toward the employer contribution for pension in accordance with Government Code Section 20516(a)-Employees Sharing Cost of Additional Benefits) for the pension formula enhancement to 2.5% at 55.

2. Non-Safety Tier Two Pension:

- a. Formula: For eligible non-safety employees who are "new members" as defined by Government Code Section 7522.02(f) the City will provide the CalPERS two percent (2%) at age sixty-two

(62) formula retirement plan in accordance with Government Code Section 7522.20, calculated on the average of the three highest, consecutive years, in accordance with Government Code Section 7522.32.

- b. Member Contribution: Non-safety employees in Tier Two Pension shall pay member contributions to the Public Employees' Retirement System in the amount required by the Public Employee Pension Reform Act (PEPRA), which amount is at least one-half of the total normal costs within the meaning of PEPRA.

3. Survivor Benefits

The City shall provide the Third Level of 1959 Survivor's Benefit for Non-Safety Tier One and Tier Two employees, a benefit for survivors of the employee who is actively employed at the time of death.

B. Safety

1. Safety Tier One Pension

- a. Formula: The City shall provide the full formula of three percent (3%) at age 50 Retirement Plan calculated on the single highest year for local safety members considered "classic" members of CalPERS.
- b. Member Contribution: Employees in Safety Tier One Pension shall pay the statutory member contribution required by CalPERS, in addition to the cost share requirement described below.
- c. Employee Cost Sharing: Employees in Safety Tier One Pension are required to pay three and three-tenths percent (3.3%) of reportable compensation toward the employer contribution for pension in accordance with Government Code Section 20516(a)-Employees Sharing Cost of Additional Benefits

2. Safety Tier Two Pension

- a. Formula: For safety employees who are "new members" as defined by Government Code Section 7522.02(f) the City will provide the CalPERS two percent (2%) at age 50 increasing to two and seven-tenths percent (2.7%) at age 57 retirement formula in accordance with Government Code Section 7522.25(d), based on the average of three highest, consecutive years, in accordance with Government Code Section 7522.32.

- b. Member Contribution: Safety employees in Tier Two pension shall pay member contributions to the Public Employees' Retirement System in the amount required by the Public Employee Pension Reform Act (PEPRA), which amount is at least one-half of the total normal costs within the meaning of PEPRA.

3. Survivor Benefits

The City shall provide the Third Level of 1959 Survivor's Benefit for Safety Tier One and Tier Two employees, a benefit for survivors of the employee who is actively employed at the time of death.

10.2 Health Reimbursement Account for Retirees

A. Employees, who retire under service retirement as regulated by the Public Employees' Retirement System, will receive medical coverage as specified by this section. The City shall pay the minimum monthly employer contribution as determined by CalPERS and required under Public Employees Medical and Hospital Care Act (PEMHCA) on behalf of each qualifying annuitant enrolled in CalPERS health insurance through the City.

B. Monthly Supplemental Allowance for Qualifying Employees:

1. In addition to the minimum monthly employer contribution as determined by CalPERS, as set forth in Section 6.1(A), the City shall provide a monthly supplemental allowance to a Health Reimbursement Account (HRA) to qualifying Executive Management employees who retire under service retirement as regulated by the Public Employees Retirement System, in the following amount:

- a. The monthly supplemental allowance is limited to the cost of medical and dental plans for the level of coverage selected by the annuitant (1-party, 2-party, or family) which the employee is enrolled in at the time of retirement, less the City required minimum employer contribution paid directly to CalPERS on behalf of the qualifying annuitant.
- b. The allowance shall be increased if the cost of such plans increase. The annuitant shall receive only the amount for the plan and level of coverage selected at the time of retirement. Although nothing in this section shall prevent a retiree from changing health plans, any such change in health plans shall not result in a higher monthly supplemental allowance.
- c. In the event that the qualified annuitant enrolls in a lower level of coverage within a City health insurance plan, the City's contribution

shall be reduced to the cost of the lower level of coverage.

2. To be eligible for the monthly supplemental allowance, the retired Executive Management employee must meet the following conditions:
 - a. The employee shall have served with the City for at least ten (10) consecutive years immediately prior to retirement, and must retire directly (within one hundred twenty (120) days) following separation from City.
 - b. The employee shall have been enrolled in the City's medical and dental plans, for one (1) full year prior to retirement.
3. The City shall pay the monthly supplemental allowance for life of the retiree, or if the retiree has died, to the retiree's spouse or registered domestic partner. For these purposes, the retiree's spouse/registered domestic partner is defined as the individual that the retiree is married to or in a registered domestic partnership with at the time of application for retirement, unless subsequently divorced or partnership dissolved. It shall be the responsibility of the retiree to notify the City for any marital status change (e.g. death of a spouse, divorce, legal separation, etc.) at which point coverage for the spouse or registered domestic partner shall cease. The City reserves the right to collect the amount over and above the monthly supplemental allowance issued to the retiree, due to failure on the part of the retiree to notify the City regarding the change in marital status. The City shall collect said amounts under the normal collection process which may include utilization of a collection agency and/or Small Claims Court, or any legal administrative remedy. If the retiree remarries, the monthly supplemental allowance will not increase to include the cost of the new spouse, registered domestic partner, or family.
4. The City shall pay the Monthly Supplemental Allowance to the HRA for the annuitant until any of the following conditions occur;
 - a. retiree receives medical coverage from another source (e.g. other employment, spouse), or
 - b. retiree dies.
5. The City's obligation to pay the monthly supplemental allowance is conditioned upon a signed declaration under penalty of perjury, by the retiree and/or spouse or registered domestic partner on a form provided by the City once each year, that confirms the retiree's and/or spouse or registered domestic partner is not enrolled in medical or health insurance coverage or in-lieu payments from another source during that same time period.

6. To receive the monthly supplemental allowance for the calendar year of retirement, the retiree must file an initial eligibility form with the City at the time and in the manner prescribed by the City. For each subsequent calendar year, the retiree must file an eligibility form with the City by November 30th of the preceding year or at a later date prescribed by the City. City will terminate the monthly supplemental allowance until such time the declaration is received. The supplemental allowance shall resume on a prorated basis upon receipt of the required declaration. No retroactive payments shall be made.
7. Should retiree lose coverage from the other source (employment, spouse), the monthly supplemental allowance will resume upon receipt of the required declaration, and will continue only until any of the above listed events (a-b) occur.

The Monthly Supplemental Allowance is subject to applicable Federal and State Income Tax regulations.

SECTION XI. VACATION LEAVE

11.1 Accrual

A. Non-Sworn

All regular, full-time employees shall earn Vacation Leave with pay on a monthly basis, in accordance with the following schedule:

| <u>Years of Service</u> | <u>Number of Vacation Hours per Pay Period (based on 24 pay periods per year)</u> | <u>Number of Vacation Hours per Year</u> |
|--------------------------------|--|---|
| 1 day – 3 years | 3.125 | 75 |
| 3 years and 1 day - 10 years | 4.687 | 112.50 |
| 10 years and 1 day – 15 years | 6.25 | 150 |
| 15 years and 1 day – 16 years | 6.562 | 157.5 |
| 16 years and 1 day – 17 years | 6.875 | 165 |
| 17 years and 1 day – 18 years | 7.187 | 172.5 |
| 18 years and 1 day – 19 years | 7.5 | 180 |
| 19 years and 1 day – 20 years | 7.812 | 187.5 |
| 20 years and 1 day – 21 years | 8.125 | 195 |
| 21 years and 1 day – 22 years | 8.437 | 202.50 |
| 22 years and 1 day – 23 years | 8.75 | 210 |
| 23 years and 1 day – 24 years | 9.062 | 217.5 |
| 24 years and 1 day + | 9.375 | 225 |

B. Sworn

All regular, full-time employees shall earn Vacation Leave with pay on a monthly basis, in accordance with the following schedule:

| <u>Years of Service</u> | <u>Number of Vacation Hours per Pay Period (based on 24 pay periods per year)</u> | <u>Number of Vacation Hours per Year</u> |
|-------------------------------|---|--|
| 1 day – 3 years | 3.333 | 80 |
| 3 years and 1 day - 10 years | 5 | 120 |
| 10 years and 1 day – 15 years | 6.666 | 160 |
| 15 years and 1 day – 16 years | 7 | 168 |
| 16 years and 1 day – 17 years | 7.333 | 176 |
| 17 years and 1 day – 18 years | 7.666 | 184 |
| 18 years and 1 day – 19 years | 8 | 192 |
| 19 years and 1 day – 20 years | 8.333 | 200 |
| 20 years and 1 day – 21 years | 8.666 | 208 |
| 21 years and 1 day – 22 years | 9 | 216 |
| 22 years and 1 day – 23 years | 9.333 | 224 |
| 23 years and 1 day – 24 years | 9.666 | 232 |
| 24 years and 1 day + | 10 | 240 |

C. Non-Sworn and Sworn

While vacation time accrues from the first full calendar month of full-time employment, employees shall be required to have served the equivalent of six (6) months of continuous service in the City in order to be eligible to use annual vacation leave; provided, however, if a regular employee separates from employment with the City before completion of six (6) months of service, the employee or his/her estate will receive pay for earned vacation leave. The City Manager may grant an exception to the minimum six months of service required for vacation eligibility.

Employees who are authorized to work on a reduced work schedule shall accrue sick leave in the amount proportionate to the ratio of scheduled work hours of the standard workweek.

11.2 Use of Vacation

The times during the calendar year at which an employee may take vacation leave shall be determined by the City Manager, with due regard for the wishes of the employee and particular regard for the needs of the service.

Executive Management Employees, due to the needs of the service may be unable to utilize said accrued vacation; therefore, said employee shall be

permitted to carry over any unused vacation.

In the event one or more municipal holidays fall within an annual vacation leave, such holidays shall not be charged as vacation leave, and the vacation shall be extended accordingly.

Employees who terminate employment shall be paid in a lump sum for all accrued vacation leave earned prior to the effective date of termination.

An employee who becomes ill or injured during his/her vacation may request that the time be deducted from his/her earned sick leave and the vacation period be re-scheduled at a later date, or be extended.

11.3 Vacation Cash Out

Employees hired before July 1, 2017, with a minimum vacation accrual balance of one hundred fifty (150) hours may elect to convert between one (1) work day and one (1) work week (in accordance with the employee's assigned work schedule) of accrued, unused vacation leave to cash.

Employees hired on or after July 1, 2017 with a minimum of ten (10) years of service with the City of San Pablo, and with a minimum vacation accrual balance of one hundred fifty (150) hours, may elect to convert between one (1) work day and one (1) work week (in accordance with the employee's assigned work schedule) of accrued, unused vacation leave to cash.

Conversion shall be subject to an employee's irrevocable election, in December of the year prior to the cash-out, of hours to be accrued in the following year. In compliance with IRS code, employees must choose by the last business day of each year to elect or opt out of pay in lieu of vacation time off for the following year by using the Request for Pay in Lieu of Vacation Leave form. Payment of converted hours shall occur in the first pay period of the following fiscal year. Employees who did not elect pay in lieu of vacation time off by the last business day of the prior year will not be able to cash out any vacation in the following calendar year. All vacation cash outs will be taxed at the supplemental tax rate in accordance with IRS code.

If insufficient vacation hours exist to meet the annual pay in lieu election, only the remaining available elected vacation hours will be paid out.

SECTION XII. SICK LEAVE

12.1 Accrual

A. Non-Sworn: Full-time, regular employees will accrue sick Leave with pay at

the rate of one seven and one-half (7.5) hours per each calendar month of service.

- B. Sworn: Full-time, regular employees will accrue sick leave with pay at the rate of eight (8) hours per each calendar month of service.
- C. Sick Leave shall not be considered as a privilege which an employee may use at his/her discretion, but shall be allowed only disability for the purposes listed below.

Unused sick leave shall be accumulated at the rate of twelve (12) days a year, without a cap on accrual.

- D. Employees who are authorized to work on a reduced work schedule shall accrue sick leave in the amount proportionate to the ratio of scheduled work hours of the standard workweek.

12.2 Usage

Each full-time employee paid on a monthly basis shall be allowed sick leave pay on the following basis:

- A. Absence from duty due to exposure to a contagious disease where a doctor requires quarantine;
- B. Diagnosis, care, or treatment of an existing health condition of, or preventative care for, an employee or any of the following of the employee's family members: child of any age or dependency status; parent; parent-in-law; spouse; registered domestic partner; grandparent; grandchildren; or sibling;
- C. For an employee who is a victim of domestic violence, sexual assault, or stalking to: a) obtain or attempt to obtain a temporary restraining order or other court assistance to help ensure the health safety or welfare of the employee or his or her child; or b) obtain medical attention or psychological counseling; services from a shelter; program or crisis center; or participate in safety planning or other actions to increase safety; and
- D. Absence due to pregnancy disability, childbirth, or a medical condition related to pregnancy

However, an employee may use up to three (3) Sick Leave days per fiscal year to care for a non-immediate family member with an existing health condition who requires care from the employee or as bereavement leave for a non-immediate family member.

The right to benefits under the Sick Leave plan shall continue only during the period that the City employs the employee. This plan will not give any employee

the right to be retained in the service of the City or any right of claim to sickness disability benefits after separation from the services of the City, and shall have no cash value at separation.

To request to use sick leave if the need for leave is foreseeable, an employee must give the immediate supervisor reasonable advance written or oral notice. If the need for sick leave is not foreseeable, the employee shall provide written or oral notice of the need for the leave as soon as practicable, If the employee is required to be absent on sick leave for more than one (1) day, the employee must keep the immediate supervisor informed each day as to the date the employee expects to return to work and the purpose of the leave..

Employees must provide a physician's certification for any sick leave absence that occurs after the employee has used twenty-four (24) hours, or three (3) work days' worth of sick leave, whichever is greater, that involves the illness of the employee or family member.

Employees who use paid leave to address issues related to domestic violence, sexual assault or stalking, and who cannot provide advance notice of their need for leave must provide certification of the need for leave within a reasonable time thereafter. In the event an employee is on sick leave for three days or longer, or in the event of family medical leave, excessive use of sick leave, or sick leave abuse, a supervisor may require a written physician's statement confirming that the employee's illness or disability prevents him or her from attending work, and the anticipated duration of absence. The City may require that an employee undergo a medical examination by a physician chosen by the City after an absence of twenty-four (24) hours, or three (3) work days, whichever is greater, to determine an employee's fitness for work after an absence from work due to a non-job related injury or illness. In the case of absence due to a contagious disease, the employee will be required to present a medical release before s/he may return to work.

Upon depletion of accumulated sick leave an employee may request leave of absence without any pay for a period not to exceed sixty (60) calendar days, subject to the approval of the City Manager. If the employee is unable to return to work at the end of this period, he/she must request further unpaid leave, which will be subject to the approval of the City Manager. If further leave is granted, the employee must notify the City of his/her intent to return to work, no later than every thirty (30) days.

If further leave is not requested, or granted after a request, the employee's continued absence from City service may result in discipline up to and including dismissal.

Time off for employee illness shall be charged to sick leave and not to vacation or administrative leave, unless, and until all available sick leave has been exhausted.

SECTION XIII. HOLIDAYS

13.1 Holidays Observed

The City shall observe the following guaranteed Holidays:

January 1 - New Year's Day
3rd Monday in January - Martin Luther King's Birthday
3rd Monday in February - Washington's Birthday
Last Monday in May - known as Memorial Day
July 4 - Independence Day
1st Monday in September - known as Labor Day
Second Monday in October - Known as Columbus Day
November 11 - Veterans' Day
4th Thursday in November - Known as Thanksgiving Day
Day after Thanksgiving Day
December 24 - Day before Christmas Day (Christmas Eve Day)
December 25 - Christmas Day
December 31 - New Year's Eve

The value of each holiday shall be 9.375 hours for employees assigned to an 8/75 work schedule and ten (10) hours for employees assigned to a 4/10 work schedule.

Should an observed holiday falls on a Friday, City offices will be closed on a Thursday.

The City reserves the right to close City department offices approximately between the Christmas and New Year holidays, with exact dates of the closure to be determined by the City Manager. Employees in departments affected by the closure may use vacation, Compensatory Time Off, Administrative Leave, or unpaid leave on the non-holiday closure days on which they are scheduled to work.

The holiday closure schedule will be provided to employees by October 1st for the following calendar year.

13.2 Floating Holiday

A. Non-Sworn

In honor of Cesar Chavez, one floating holiday of 9.375 hours for employees assigned to an 8/75 work schedule shall be credited to accumulated vacation time on each July 1st.

New employees shall be credited a prorated amount of Floating Holiday hours based on hire date as follows:

| <u>Hire Date</u> | <u>Hours Credited</u> |
|-------------------------|-----------------------|
| July 1 through Sept 30 | 9.375 |
| Oct 1 through Dec 31 | 6.24 |
| Jan 1 through Mar 31 | 3.12 |
| April 1 through June 30 | 0 |

B. Sworn

One floating holiday of ten (10) hours shall be credited to accumulated vacation time on each July 1st.

New employees shall be credited a prorated amount of Floating Holiday hours based on hire date as follows:

| <u>Hire date</u> | <u>Hours credited</u> |
|-------------------------|-----------------------|
| July 1 through Sept 30 | 10 |
| Oct 1 through Dec 31 | 6.66 |
| Jan 1 through March 31 | 3.33 |
| April 1 through June 30 | 0 |

SECTION XIV. BEREAVEMENT LEAVE

Upon death of an immediate family member (spouse or registered domestic partner and children/stepchildren (including foster children, legal wards, or children to whom the employee stands in loco parentis, regardless of age or dependency status), parents/stepparents (including a foster parent or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood in loco parentis when the employee was a minor child), brothers, sisters, grandparents, mother/father in-law, and grandchildren); bereavement leave with pay for a period not to exceed one (1) full workweek (as per employees regular work schedule), shall be granted. The employee shall inform the City of the name and relationship of the person who died.

SECTION XV. FAMILY CARE LEAVE/PREGNANCY LEAVE

City shall provide Family Care Leave and Pregnancy Leave in compliance with and in accordance with the Federal Family and Medical Leave Act of 1993 (FMLA), California Pregnancy Disability Leave (PDL) provided under the Fair Employment and Housing Act, and the California Family Rights Act of 1993 (CFRA).

SECTION XVI. EDUCATION INCENTIVE PROGRAM

An employee may, on his or her own initiative, spend time at an independent school or college after work hours for the purpose of furthering his or her education. To the extent such educational courses are job-related and at the sole discretion of the City Manager based upon the City's need for knowledge in a specific occupational category, the employee may be eligible for tuition reimbursement as described below.

The course or degree shall be conducted by a school accredited by the nationally recognized accrediting agencies published by the Secretary of Education (U.S. Department of Education www.ed.gov). Certificate programs are not required to be accredited by the Department of Education, but are subject to City Manager approval and are required to enhance City job related skills.

Subject to advance City Manager approval, the City will reimburse the employee's costs for tuition, special fees, books, and supplies up to a maximum limit of five thousand two hundred fifty (\$5,250) per calendar year, the maximum tax free education reimbursement amount allowed by Internal Revenue Code Section 127.

Such reimbursement shall not be made until, and shall be conditioned on the employee's satisfactory completion of the course work. The employee must receive a final letter grade of "B" or better, and provide such documentation to the City, within sixty (60) days of the semester/quarter end, in order to receive reimbursement. The employee must submit final grades and approved paperwork by December 10th in order to receive reimbursement by December 31st.

The tuition reimbursement benefit shall terminate at such time as the employee is no longer actively performing service for the City, even if the employee has completed partial or full coursework during the period of City employment.

SECTION XVII. USE OF CITY VEHICLE

Sworn

If the City provides a vehicle to Executive Management Employees, its use is unrestricted within the State of California.

Otherwise Department Heads may use a City vehicle as part of their normal course of work.

SECTION XVIII. BENEFITS UPON TERMINATION

Employees who terminate employment shall be paid in a lump sum for all unused accrued vacation leave and compensatory time off earned prior to the effective date of termination. No such payment shall be made for vacation accumulated contrary to the provisions of this Agreement.

Accrual of salary and benefits paid to an employee shall cease upon termination of employment, except as follows: If employee is terminated by City for reasons other than disciplinary, he/she shall receive an amount equal to six months (6) months of his/her regular salary as Severance Pay, and the City shall pay its contribution toward medical and dental insurance specified in Section 6.1 of this MOU for a period of six (6) months following the date of the employee's lay-off.