

**CITY OF NAPA
EXECUTIVE COMPENSATION AND TERMS OF EMPLOYMENT
SUMMARY**

Effective January 1, 2015

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SECTION 1. SCOPE

- 1.1 This "Executive Compensation and Terms of Employment Summary" ("Summary") describes the salary, benefits, and conditions of employment for each Member of the City Executive Staff. This Summary summarizes and supplements the salary, benefits, and conditions of employment previously approved by the City Council pursuant to Resolution R2003-48 (February 13, 2003), as amended over the years pursuant to Resolutions R2005-89 (July 19, 2005), R2007-39 (March 6, 2007), R2007-118 (July 17, 2007), R2007-162 (October 16, 2007), R2008-145 (August 5, 2008), R2009-43 (April 7, 2009), R2010-85 (June 15, 2010), R2011 20 (February 1, 2011), R2011 88 (June 21, 2011), R2012 36 (April 17, 2012), R2013 27 (May 7, 2013), R2013 115 (December 17, 2013, and R2014-34 (April 1, 2014). In addition to the terms summarized herein, the City Manager, City Attorney, and City Clerk each have additional terms and conditions of employment set forth in their respective Employment Agreement.
- 1.2 As used in this Summary, the term "Member" refers to each member of the "City Executive Staff" which shall include the City employee filling each of the following positions:
- City Manager
 - Assistant City Manager Administrative Services
 - City Attorney
 - City Clerk
 - Community Development Director
 - Finance Director
 - Fire Chief
 - Human Resources Director
 - Parks and Recreation Services Director
 - Police Chief
 - Public Works Director
- 1.3 As used in this Summary, the term "Safety Member" shall mean the Police Chief and the Fire Chief; the term "Safety Member-Fire" shall mean the Fire Chief; the term "Safety Member-Police" shall mean the Police Chief; the term "Non-Safety Member" shall mean all Members with the exception of the Safety Members.

SECTION 2. TERM

The salaries, benefits and terms of employment set forth herein are effective as of January 1, 2015 and will remain in effect for all Members until such time City Council adopts a subsequent Resolution amending salaries, benefits and terms of employment.

SECTION 3. COMPENSATION

3.1 The City will increase the salary of each Member identified in Section 1.2, in the percentage amounts identified below, and effective with the pay period beginning on each of the following dates:

1/03/15 = 1.25%

7/04/15 = 1.25%

3.2 Employment transactions which effect pay or retirement contributions (such as merit increases, promotions, transfers, reclassifications, starting and ending specialty pays, and acting assignments) shall be effective the beginning of the pay period in which the transaction occurs.

SECTION 4. AUTO ALLOWANCE

4.1 The City Manager, Assistant City Manager, and the City Attorney shall each receive a monthly auto allowance in the amount of five hundred dollars (\$500.00). Each other Member shall receive a monthly auto allowance in the amount of three hundred seventy five dollars (\$375.00).

4.2 All Members receiving an auto allowance will be responsible for maintenance and insurance of his or her vehicle. Each Member may submit requests for reimbursement for additional travel expenses in accordance with the City Travel Policy.

SECTION 5. HEALTH AND WELFARE

5.1 Effective through June 30, 2015, for each Member enrolled in a City medical plan, the City will contribute either eighty-five percent (85%) of the Kaiser HMO monthly premium, or the following monthly amounts, whichever is greater, based on the Member's enrollment status:

Employee only	\$ 625.00
Employee plus one	\$1,250.00
Family	\$1,662.00

Effective July 1, 2015, for each Member enrolled in a City medical plan, the City will contribute either eighty-five percent (85%) of the Kaiser HMO monthly premium, or the following monthly amounts, whichever is greater, based on the Member's enrollment status:

Employee only	\$ 675.00
Employee plus one	\$1,350.00
Family	\$1,795.00

5.2 The City will contribute the following monthly amounts for dental benefits:

Employee only	\$ 52.85
Employee plus one	\$ 89.86
Family	\$137.43

In the event that the dental premium exceeds the foregoing amounts, each affected Member will contribute through payroll deduction the amount of the excess.

5.3 The City will pay the full premium for life insurance with a policy value of \$100,000 during active employment of each Member.

5.4 Upon retirement of each Member, the City shall not continue to pay the premium for the insurance policies described in Section 5.3. However, within thirty-one (31) days after retirement, a Member may convert all or any portion of said insurance policy to an individual policy at the then existing individual premium rate, at their expense.

5.5 Each Member shall have the option to purchase, solely at the Member's expense, additional life insurance through the City's insurance broker, up to the maximum allowed by the carrier.

5.6 Any Member may choose to not receive the medical benefits described in Section 5.1 of this Summary, and the City will pay the Member five hundred dollars (\$500) per month in-lieu of the medical, only if the Member provides proof of medical coverage (comparable to that provided by the City) through a spouse or other source. Any such request must be submitted by the Member in writing using a form provided by the City's Finance Department. Re-enrollment in a plan provided by the City other than during the annual open enrollment period will be permitted only in the event of a significant personal event (i.e., death of a spouse, divorce, loss of spousal coverage, etc.), and will be subject to the requirements of the health plan provider.

5.7 The City will continue allowing payment of certain dependent and health care expenses on a pre-tax basis under the provisions of IRS Code Sec. 125 and 129. The City will pay the administrative fees associated with the Flexible Spending Account (FSA).

SECTION 6. TUITION REIMBURSEMENT

Each Member shall be eligible for tuition reimbursement as provided in Policy Resolution 26. The maximum reimbursement that may be received by each Member in one fiscal year shall be \$1,000.

SECTION 7. RETIREMENT

During the term of this Memorandum, the City shall provide the following benefits through the Public Employment Retirement System (PERS):

- 7.1 Each Member shall be entitled to convert unused accumulated sick leave to service credit as provided under PERS Section 20965.
- 7.2 Non-job related disability benefits providing for thirty percent (30%) of final compensation upon five (5) years of service with an improvement of one percent (1%) for each additional year to a maximum of fifty percent (50%), as provided for under Government Code Section 21427.
- 7.3 Each Member with military service is entitled to a military service credit up to a maximum of four (4) years of service granted under this section. The entire cost (both employer and employee contributions) is the Member's responsibility because the Member's buy-back contribution is credited in its entirety to the Member's account. This may be paid back on either a pre-tax or post-tax basis, at the Member's discretion, per the City's current contract with PERS (amended in 1996 to include this provision).
- 7.4 The City shall deduct the entire Member's contribution required by PERS on a pre-tax basis pursuant to IRC Section 414(h)(2).
- 7.5 Effective September 25, 2001, the City shall provide the Indexed Level of the 1959 Survivors Benefit, pursuant to Government Code Section 21574.5, with the exception of the Police Chief who is provided the fourth level of the 1959 Survivors Benefit, pursuant to Government Code Section 21574. The City agrees to pay the monthly contribution for all Non-Safety Members, which excludes the Police and Fire Chiefs.

Non-Safety Members

- 7.6 For each non-safety Member hired on or before December 20, 2012, the City will contract with PERS to provide for the two point seven percent (2.7%) at age fifty-five (55) retirement plan as specified in Government Code Section 21354.5. Final compensation shall be based on the member's single-highest year of pensionable compensation.
- 7.7 For each eligible non-safety Member hired on or after December 21, 2012 who meets the definition of "classic member," the City will contract with PERS to provide for the two percent (2.0%) at age sixty (60) retirement plan as specified in Government Code Section 21353. Final compensation shall be based on a three-year average of pensionable compensation, as provided by Government Code Section 20037.
- 7.8 Each eligible non-safety Member hired on or after January 1, 2013, and who meets the definition of "new member" under Government Code Section 7522.04(f), shall be covered by the PERS retirement plan two percent (2%) at age sixty-two (62) retirement plan for local non-safety employees. The Member's contribution towards this benefit shall be 50% of the normal cost, as defined in the CalPERS annual valuation. Final compensation shall be based on a three-year average of pensionable compensation.

- 7.9 The determination of whether a Member is a 'classic member' or a 'new member' is made by CalPERS.

All Members

- 7.10 The following provisions define the agreement between the City and all Members under which each Member will pay a portion of the City's contribution towards PERS retirement benefits ("Employer Contribution"). The Employer Contribution is established annually by PERS and communicated to the City in fall of the fiscal year prior to the effective date.
- a. If the Employer Contribution as determined by PERS exceeds fourteen percent (14%), the Member shall pay additional contributions of half of such excess rate, up to nineteen percent (19%) ("Employee Paid City Contribution"). For example, if the Employer Contribution is 24%, the Member will pay 2.5% of the Employer Contribution through payroll deduction ($2.5\% = (19\% - 14\%) / 2$). If the Employer Contribution is 16% the member will pay 1.0% of the Employer Contribution through payroll deduction ($1\% = (16\% - 14\%) / 2$).
 - b. In addition to the Employee Paid City Contribution described in paragraph (a), each Non-Safety Member shall pay an additional 2% of the Employer Contribution regardless of the City's rate, making the maximum Employee Paid City Contribution 4.5%.
 - c. In addition to the Employee Paid City Contribution described in paragraph (a), Safety Members shall pay an additional 3% of the Employer Contribution regardless of the City's rate, making the maximum Employee Paid City Contribution 5.5%.
 - d. The Employee Paid City Contribution described in this section shall be a payroll deduction made on a pre-tax basis to the extent provided by law. In the event that the City is precluded from collecting the additional contribution or is unable to make the deduction on a pre-tax basis, the City will notify Members of the options available to cure the defect. During that time, the City shall instead reduce its contribution to health and dental insurance under sections 5.1 and 5.2 by an amount equal to the percentages identified in section 7.10 (a) and section 7.10 (b) or (c) as the Member's payment of the Employer Contribution, multiplied by the Member's PERSable compensation, with any excess deducted from the Member's paycheck.

Safety Member – Fire

- 7.11 An eligible Fire Safety Member hired before August 1, 2012, who does not meet the definition of "new employee" as defined by the Public Employees' Retirement System (PERS), shall be subject to the "three percent (3%) at age 50" retirement plan as provided for under Government Code Section 21362.2. This retirement plan includes the single highest year retirement benefit as provided by Section 20042 of the Government Code.

- 7.12 An eligible Fire Safety Member hired on or after August 1, 2012, who does not meet the definition of “new employee” as defined by the Public Employees’ Retirement System (PERS), shall be subject to the “3%@55” retirement benefit plan as specified in Government Code Section 21363.1, with a three-year average on final compensation as provided by Government Code Section 20037.
- 7.13 For a Fire Safety Member who meets the definition of a “new employee”, as defined by the Public Employees’ Retirement System (PERS), hired on or after January 1, 2013, retirement benefits shall be those established by the Public Employees’ Retirement System (PERS) for Local Safety Members 2.7% at age 57 formula, highest three years. The Member’s contribution towards this benefit shall be 50% of the normal cost, as defined in the CalPERS annual valuation.

Safety Member - Police

- 7.14 For an eligible Police Safety Member hired on or before January 7, 2012, the City’s contract with PERS provides for the “three percent (3%) at age 50” retirement plan as specified in Government Code Section 21362.2. This retirement plan includes the single highest year retirement benefit as provided by Section 20042 of the Government Code.
- 7.15 For an eligible Police Safety Member hired after January 7, 2012 and who meets the definition of “classic member”, the City will contract with PERS to provide the “three percent (3%) at age 55” retirement plan as specified in Government Code Section 21363.1, with a three-year average on final compensation as provided by Government Code Section 20037.
- 7.16 For a Police Safety Member who meets the definition of “new employee”, as defined by the Public Employees’ Retirement System (PERS), hired on or after January 1, 2013, retirement benefits shall be those established by the Public Employees’ Retirement System (PERS) for Local Safety Members 2.7% at age 57 formula, with a three-year average on final compensation as provided by Government Code Section 20037. The Member’s contribution towards this benefit shall be 50% of the normal cost, as defined in the CalPERS annual valuation.

SECTION 8. RETIREE MEDICAL INSURANCE REIMBURSEMENT

- 8.1 The City will provide health insurance reimbursements (as described in the latter part of this provision) to each retired Member, provided that the Member meets and abides by all of the following qualifications:
- (1) The Member must have worked for the City a minimum of ten (10) years and taken a service or disability retirement from the City and actually draw a PERS pension within ninety (90) days of separation from the City.
 - (2) The full cost of a retired Member's participation in the City's retiree medical plan will be deducted from the Member's retirement check subject to item (3) below.

- (3) A retired Member must not elect to be covered by another medical plan. Any retired Member who once waives his or her participation in the City's retiree medical plan coverage, shall be an irrevocable waiver.
- (4) The Member will make a one-time irrevocable choice as to the supplemental payment by the City toward the retired Member's medical coverage.
- (5) Supplemental Payments
 - a) A retired Member (which may be referred to herein as "retiree") who meets the conditions described above will receive a supplemental payment by the City toward the Member's retiree medical coverage of \$347.00 per month. This payment shall remain in effect for the life of the retiree only. The payment shall cease upon death of the retiree, re-employment of the retiree in a capacity where they again are earning a PERS retirement benefit, or in the event the retiree fails to meet the other applicable conditions specified in this section. However, the retiree may elect to use this supplemental payment for another health plan provided they submit documentation that provides proof of paid health insurance coverage to the City of Napa Finance Department (annually) to verify that payments are being used to supplement the retiree's health care premiums. It will be the retiree's responsibility to maintain current addresses on record with the City of Napa. If checks are returned from the last designated address without correction from the retiree for more than two months, this shall result in cancellation of the supplemental payment. Appeals for reinstatement and/or back payments shall be made to the Finance Department with a final appeal to the City Manager.
 - b) The dollar amount of the supplemental payment for retiree health insurance shall be fixed and remain at the rate in effect upon the date of retirement.
 - c) If the Member provides written notification to the City prior to retirement, the City agrees to defer supplemental retiree health payments up until the age of Medicare eligibility. The City shall make no supplemental payments to the retired Member during the deferral period. When the retiree initiates implementation of the retiree supplemental payments, the monthly amount will not exceed the amount in effect at the time of the Member's retirement.
- (6) In order to remain eligible for the retiree supplemental payment, the retired Member must enroll in a Medicare supplemental insurance program when they become eligible for Medicare. The City will pay the supplemental payment equal to the lesser of the supplemental payment identified in section 8.1.5(a) or the Medicare supplemental insurance premium, along with the cost of the retiree's private health plan.

8.2 For each Safety Member - Police hired between July 1, 1984 and July 1, 1987 inclusive, who was a member of the City of Napa Police Management Unit on July 1, 2007, and who elects in writing not to receive the supplemental payment of retiree medical reimbursements set forth in section 8.1.5(a), the City will contribute the single party retiree monthly premium Kaiser health insurance rate. This payment shall remain in effect for the life of the retiree only.

SECTION 9. MANAGEMENT LEAVE

9.1 Each Member shall receive fifteen (15) days of management leave per fiscal year. Cash out of this benefit is limited to fifty percent (50%) of the allotted balance during each fiscal year. Management leave must be used within the fiscal year granted, or forfeited.

9.2 The City Manager is authorized to allocate up to two (2) days additional management leave to each Member, if the Member has worked above and beyond what would be considered normal work requirements during an emergency event. The Member has the option of taking the additional management leave in time off or in the form of pay.

SECTION 10. VACATION

Vacation shall be accrued as follows:

<u>Years of Service</u>	<u>Accrual Hours/Year</u>
0-4	120.00
5-9	137.14
10-12	154.28
13-16	171.43
17-19	188.57
20+	205.71

10.1 If a newly hired Member has a minimum of ten (10) years prior experience in the specified field to which he or she is hired, the City Manager may authorize a credit of eleven (11) years of service for the purpose of calculating the accrual of annual vacation hours. The Member shall continue to receive an annual accrual of vacation hours based on eleven (11) years of service for the Member's first eleven (11) years of actual service to the City; and, from the twelfth year of service forward, the Member shall receive an annual accrual of vacation hours based on the actual years of service to the City.

10.2 The maximum annual carry-over of accrued vacation will be two hundred eighty (280) hours (as of the last day of the pay period containing December 31 of each year) with an additional forty (40) hours for special purposes upon the approval of the City Manager.

10.3 The City Manager may authorize up to ten (10) days of vacation for each new Member, upon hiring.

10.4 Each Member may cash out up to two (2) weeks' vacation leave each calendar year.

SECTION 11. SICK LEAVE

11.1 Each Member shall accrue twelve (12) days of sick leave benefit per year. However, the City Manager may authorize each new Member to receive up to four (4) days of sick leave credit upon hiring.

11.2 Once a year, during the month of December, each Member may convert from the twelve (12) days sick leave accrual to: four (4) days sick leave and four (4) days vacation leave accrual, or no (0) days sick leave and six (6) days vacation leave accrual. Existing credits continue.

11.3 Once a year, during the month of December, each Member may convert existing sick leave balances to vacation days (with an effective conversion date at the end of the pay period which contains January 1) by providing written notice to the Finance Department, as follows:

- (1) A maximum of fifteen (15) sick leave days may be converted to vacation days, at a ratio of three (3) sick leave days to one (1) vacation day; and
- (2) A maximum of twenty (20) sick leave days may be converted to vacation days, at a ratio of four (4) sick leave days to one (1) vacation day.

SECTION 12. BEREAVEMENT LEAVE

In the event of a death in the immediate family of a Member, the Member shall, upon request, be granted such time off with pay as is necessary to make arrangements for the funeral and attend same, not to exceed three (3) regularly scheduled work days per occurrence. Such bereavement leave shall not be deducted from any accrued leaves including vacation, management leave, and/or sick leave.

For the purpose of this provision, the immediate family shall be restricted to the Member's father, mother, brother, sister, spouse, registered domestic partner, child, grandparents, grandchildren, mother-in-law, father-in-law, brother-in-law, sister-in-law, stepparents, and stepchildren where there is a child-rearing relationship.

SECTION 13. DEFERRED COMPENSATION

13.1 A 457 Deferred Compensation Plan is available to all Members. The City of Napa will also make available a 401(a) Plan for all Members.

13.2 The City shall contribute three hundred dollars (\$300.00) per month for each Member to a City-provided 401(a) Plan of the Member's choice. Each Member shall contribute three hundred (\$300) dollars per month to the 401(a) Plan. Contributions to a 457 Deferred Compensation Plan may be made voluntarily by each Member.

13.3 The City shall contribute to a 401 Deferred Compensation Plan additional amounts of \$1,250.00 per month for the City Manager, and \$1,000 per month each for the Assistant City Manager and the City Attorney.

Section 14. WORKING HOURS

Daily working hours for Members shall be flexible, provided each Member works sufficient hours to complete their work to the satisfaction of the City Manager. Attendance will normally be required during at least six (6) core hours, which will be determined by the City on an individual basis. The six (6) core hours will be contiguous with the exclusion of a lunch break, which shall not exceed two (2) hours.

Section 15. PERFORMANCE BONUS

Upon approval by the City Manager, each Member may be granted a performance bonus of two percent (2%), three percent (3%) or five percent (5%) of annual base salary only for special and outstanding performance in accordance with the City's Administrative Policy entitled "Criteria for Annual Performance Pay System." Such bonus will be paid no more than once per fiscal year for each Member, and it shall be paid in a one-time, lump-sum payment, generally within thirty (30) days of approval, and shall be subject to legal and required tax deductions.

Section 16. HOLIDAYS

16.1 The recognized holidays for all Members shall be:

Martin Luther King's Birthday	Columbus Day
Presidents Day	Veterans Day
New Year's Day	Labor Day
Memorial Day	Thanksgiving Day
Independence Day	Day after Thanksgiving
Christmas Eve Day	Floating Holiday
Christmas Day	Employee's Birthday

and observed with the following provisions:

- (1) When a holiday falls on Sunday, the following Monday shall be observed.
- (2) When a holiday falls on Saturday, the preceding Friday shall be observed.
- (4) The Birthday Holiday may be taken at any time during the calendar year and may not be carried over into a succeeding calendar year.

- (5) In lieu of the Admission Day Holiday, Members will be entitled to a Floating Holiday. The Floating Holiday must be used as a day off with pay, and Members will not be granted a day's pay in lieu of time off. Floating Holidays may not be carried over into a succeeding calendar year.
- (6) A holiday is defined as eight hours. Members on an alternative work schedule whose regular scheduled working hours on the date of a holiday exceed eight hours; will take eligible paid leave for the remainder of their shift.

Section 17. WORKERS' COMPENSATION SUPPLEMENT

The City shall provide Workers' Compensation supplement, so that each Member shall receive up to sixty (60) calendar days at full salary and benefits from a job-related injury.

Section 18. EMPLOYEE RIGHTS

Nothing in this Summary shall be construed to deny a Member all applicable rights afforded by law.

Section 19. ADA

The City Executive Staff recognize that the City has an obligation under the Americans with Disabilities Act (ADA) to meet with individual employees who allege a need for reasonable accommodation in the work place because of a disability.

Section 20. CITY CLOSURE DAYS

The City will close for business and each Member will receive sixteen (16) hours of paid time off in the 2015 only, to be taken on the following days:

2015: December 28 and 29