

City of Healdsburg

Executive Management Group

Compensation and Benefits Package

November 2014

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INTRODUCTION

This document is a summary of compensation and benefits which applies to all Executive Management employees appointed by the City Manager. The terms and conditions of employment for Executive employees not included in this document are contained in individual employment contracts and/or the City of Healdsburg Personnel Rules and Regulations.

The various forms of compensation and benefits provided in this document are the result of the City's recognition that Executive employees should be compensated appropriately for exhibiting accountability, cost effectiveness, technological skills and the ability to make maximum use of personnel, fiscal and other resources to facilitate the provision of city services.

CLASSIFICATIONS DESIGNATED EXECUTIVE MANAGEMENT

For the purpose of this document, the following positions are considered Executive Management:

Assistant City Manager	Fire Chief
Community Services Director	Planning and Building Director
Electric Utility Director	Police Chief
Finance Director	Public Works Director
Utilities Director	Administrative Services Director

SALARY PLAN

Incremental salary steps within the base salary range, for classifications within the executive management group, shall progress in five steps, from Step A through Step E. Step A shall generally be established so that the progression from step A to Step E occurs in five percent (5%) increments. The base salary range for each executive management group classification is contained in Appendix 'A' attached hereto and incorporated herein.

The City Manager shall place newly hired Executive employees at a step within the range for their classification that best reflects the employee's qualifications and job experience.

Wages:

- Commencing November 16, 2014, all classifications covered by this agreement shall receive a 5% cost of living adjustment.
- Commencing the first full pay period following July 1, 2015, all classifications covered by this agreement shall receive a 2% cost of living adjustment.
- Commencing the first full pay period following July 1, 2016, all classifications covered by this agreement shall receive a 2% cost of living adjustment.

LONGEVITY INCENTIVE PAY PLAN

Executive employee shall be eligible to participate in the City's longevity incentive pay plan upon the successful completion of a minimum of five (5) continual years of employment service. The longevity incentive pay plan shall be administered in accordance with the following schedule:

<u>Years of Service</u>	<u>Longevity Pay Rate</u>
5 years	2%
10 years	3%
15 years	4%
20 years	5%
25 years or more	6%

For the purpose of this document, base rate of pay shall mean the contractual salary amount.

EMPLOYMENT BENEFITS

Medical Plan: Executive employees are eligible to participate in the City's group medical plans offered through Anthem Blue Cross or Kaiser Health. Commencing on January 1, 2011, the City and Executive employees shall share in the cost of the medical premium for employee and dependents whereby the City shall pay ninety percent (90%) of the medical premium and the employee shall pay ten percent (10%) of the medical premium. Payments for health care premiums shall be made on a pre-tax basis and shall occur the first and second paycheck of each month. Employees opting out of the City-paid medical plan shall receive a monthly stipend in an amount equal to the 2010 lowest cost premium for single coverage (\$477/mo.).

Effective July 1, 2015, the City's contribution toward health insurance shall be 90% of the July 1, 2015, three Kaiser Premium tiers. In year three of the agreement, beginning July 1, 2016, the employee and employer shall share health insurance rate increases, using Kaiser as the benchmark, equally. The employee cost share shall not exceed 1% of top step Administrative Services Director base monthly salary for each of the three Kaiser Premium tiers that an individual selects. Those employees that select Anthem Blue Cross will be provided with the same City premium dollar amount as those that select Kaiser and the 1% cap will not apply. See 'Appendix B' as an example.

Life Insurance: The city shall pay the premium for a \$100,000 life insurance policy for Executive employees.

Dental Plan: Executive employees are eligible to participate in the group dental plan with the same coverage available under Delta Dental whereby the City shall pay 100% of the premium for employee and dependents.

Vision Care Plan: Executive employees are eligible to participate in a group vision care plan offered by REMIF whereby the City shall pay 100% of the monthly premium for employee and dependents. Employees enrolled in Kaiser shall not be covered by the REMIF vision care plan and an amount equal to the monthly vision care premium shall be applied to the base amount for medical insurance as stated above.

Long-term Disability Insurance: The City shall pay the monthly premium for a long-term disability insurance plan for Executive employees. Terms of insurance shall include, but not be limited to the following.

1. Amount of Insurance: 67% of monthly salary for a maximum of \$6,000 per month;
2. Elimination Period: Benefits will commence on the 91st day of continuous disability;
3. Integration of Benefits: Full Family

PUBLIC EMPLOYEES RETIREMENT SYSTEM

Safety Employees: On behalf of its employees, the City has contracted with the California Public Employees' Retirement System (PERS) for retirement benefits. The Police Chief and Fire Chief are designated as "safety" members of PERS. All other Executive employees are designated as "local miscellaneous" members of PERS. Safety employees in the Management Group and hired prior to the effective date of the CalPERS amendment establishing a second tier pension plan, the retirement formula will be 3% at 50. The City shall maintain additional CalPERS benefits as follows: 1) "1959 Survivor Benefits, Level IV" for which employees pay \$.93 per bi-weekly pay period; 2) Post Retirement Survivor Allowance; and 3) One Year Final Compensation. Safety employees in the Management Group pay the 9% employee contribution to PERS. The employee contribution is made by a pre-tax payroll deduction of 9%.

For safety employees hired on or after the effective date of the CalPERS amendment establishing a second tier pension plan, the retirement formula will be 2% at 50. Retirement benefits will be calculated using the average income of the highest three (3) consecutive years. Employees will pay the 9% employee contribution to CalPERS. The employee contribution is made by a pre-tax payroll deduction of 9%.

Local Miscellaneous Employees: Non-safety Executive employees are designated 'Local Miscellaneous' members of PERS. For Local Miscellaneous employees hired prior to the effective date of the CalPERS amendment establishing a second tier pension plan, the retirement formula will be 2.5% at 55. The City shall maintain additional CalPERS benefits as follows: 1) "1959 Survivor Benefits, Level IV" for which employees pay \$.93 per bi-weekly pay period; 2) Post Retirement Survivor Allowance; and 3) One Year Final Compensation. Local Miscellaneous employees in classifications represented by the MMPEA pay the 8% employee contribution to PERS. The employee contribution is made by a pre-tax payroll deduction of 8%. (Amended 7/1/12)

For 'Local Miscellaneous' employees hired on or after the effective date of the CalPERS amendment establishing a second tier pension plan for Local Miscellaneous Members, the retirement formula will be 2% at 60. Retirement benefits will be calculated using the average income of the highest three (3) consecutive years. Employees will pay the 7% employee contribution to CalPERS. The employee contribution is made by a pre-tax payroll deduction of 7%. (Added 7/1/12)

PEPRA. The Public Employees' Pension Reform Act of 2013 (PEPRA) and related Public Employees' Retirement law amendments in Assembly Bill 340 became law on September 12, 2012 and the provisions were effective January 1, 2013. Effective January 1, 2013 all employees defined by PEPRA as "New members" in PERS 'Safety' classifications shall pay 50% of the total normal cost for the new Safety PERS pension formula of 2.7% @ 57, which is currently

11.5% as an employee contribution (on a pre-tax payroll deduction) with final compensation determined by the highest average annual pensionable compensation earned by an employee during a period of at least 36 consecutive months Effective January 1, 2013 all employees defined by PEPRAs as “New members” in PERS ‘Miscellaneous’ classifications shall pay 50% of the total normal cost for the new Miscellaneous PERS pension formula of 2%@62 , which is currently 6.5% as an employee contribution (on a pre-tax payroll deduction), with final compensation determined by the highest average annual pensionable compensation earned by an employee during a period of at least 36 consecutive months.

EXECUTIVE LEAVE

Executive employees shall receive one hundred (100) hours of Executive Leave per fiscal year. Accruals shall be posted the first pay period in July. Unused Executive Leave accruals shall be forfeited.

HOLIDAYS

Paid holidays for Executive employees shall be as follows:

New Year’s Day	January 1 st
Martin Luther King Jr. Day	3 rd Monday in January
Washington’s Birthday	3 rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4 th
Labor Day	First Monday in September
Veteran’s Day	November 11 th
Thanksgiving Day	Last Thursday in November
Day after Thanksgiving	Last Friday in November
Christmas Eve Day	December 24 th
Christmas Day	December 25 th
New Year’s Eve Day	December 31 st

When any of the above holidays falls on a Sunday, the Monday following shall be observed as the holiday. Likewise, if the holiday falls on a Saturday, the preceding Friday will be observed as the holiday.

VACATION

Executive employees shall become eligible for vacation as it is earned. Vacation shall be accrued according to the following schedule.

Years Of Service	Hours Accrued per Pay period	Annual Hours	Equivalent Days	Maximum Accrual
1	3.08	80	10	240
2	3.69	96	12	288

5	4.62	120	15	360
10	5.54	144	18	432
15	6.46	168	21	504
20	7.08	184	23	552
25+	7.69	200	25	600

Employees may defer some or all of their vacation to the following year. However, in no event shall an employee accumulate vacation days greater than three times his/her annual accrual rate. Employees who have accumulated vacation days in excess of three times their annual accrual rate shall be paid for the excess accruals in November of each year. At the employee's request any such payment may be moved to an existing City savings plan.

The City Manager may, at his/her discretion, consider career longevity within the pertinent management positions to assign a starting vacation accrual rate for Executive employees.

SICK LEAVE

All employees shall accrue sick leave on a bi-weekly basis at the rate of 3.69 hours per pay period. Employees shall accrue sick leave from their first day of employment. Accumulation of unused sick leave shall be unlimited.

Upon retirement from the City, Executive retirees shall be paid for one-half of his/her accrued sick leave at the following rate:

29 years of service or less	480 hour maximum
30+ years of service	800 hour maximum

An Executive employee who does not use any sick leave during the fiscal year shall be entitled to one full day of vacation or compensation equal to one day's pay.

The Executive Management Group has agreed to participate in the ICMA-RC Vantage Care Retiree Health Savings Plan, whereby the employee shall have the option of converting the unused balance of any of the 12 sick leave days accrued during the previous fiscal year, to an equivalent contribution to the employee's ICMA Vantage Care Retiree Health Savings account.

BEREAVEMENT LEAVE

Executive employees shall receive three (3) days of bereavement leave. Vacation accruals may be used for additional time off upon approval by the City Manager.

MANAGEMENT INCENTIVE PAY

Executive employees shall receive Management Incentive Pay of \$350.00 per month or 4,200 per year for use of their private vehicle for business activities. The Police Chief and Fire Chief may opt for a City-provided vehicle in lieu of the Management Incentive Pay. All details associated with City-provided vehicles shall be approved by the City Manager. Management Incentive Pay is subject to tax and PERS deductions.

CLOTHING ALLOWANCE

Safety Executive employees shall receive a uniform allowance, the first pay period in July of each year, for the purpose of maintaining and replacing uniforms for the ensuing year. The uniform allowance paid shall be in an amount equal to the uniform allowance approved for their department employees and is subject to tax and PERS deductions.

Payment of uniform allowance shall be eliminated effective July 1, 2015. Starting in July, 2015, the City shall provide the uniforms for safety executive employees.

EDUCATIONAL REIMBURSEMENT

The City encourages and supports educational and training programs that provide career development, therefore the City shall provide educational reimbursement to Executive employees. To be eligible for reimbursement, courses shall be directly related to the employee's work and approved in advance by the City Manager. Employees shall submit a written stating the course outline and how the course will help in the employee's job and benefit the City. All courses shall be taken on the employee's own time. Tuition reimbursements are subject to budget limitations.

PERSONNEL RULES AND REGULATIONS

Unless otherwise specified in this Agreement, Executive employees shall be subject to the City of Healdsburg Personnel Rules and Regulations. Existing Employment Contracts remain in full force and effective.

Dated: November 17, 2014

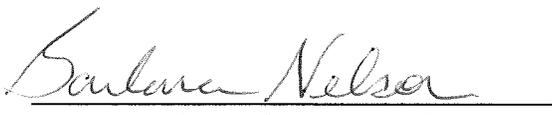
By signing below, the Executive Management Employees acknowledge and accept the provisions in this benefit package.


Steve Adams, Fire Chief


Kevin Burke, Police Chief


Terry Crowley, Utilities Director


Jone Hayes, Administrative Services
Director


Barbara Nelson, Planning and Building
Director

APPENDIX 'A'

Executive Management Classifications

Current <u>Job Classification</u>	Steps				
	<u>A step</u>	<u>B step</u>	<u>C step</u>	<u>D step</u>	<u>E step</u>
Administrative Services Director	\$10,017	\$10,518	\$11,044	\$11,596	\$12,176
Assistant City Manager	\$10,953	\$11,501	\$12,076	\$12,680	\$13,314
Community Services Director	\$10,319	\$10,835	\$11,377	\$11,946	\$12,543
Electric Utility Director	\$10,737	\$11,274	\$11,838	\$12,430	\$13,052
Fire Chief	\$11,062	\$11,615	\$12,196	\$12,806	\$13,446
Planning and Building Director	\$10,117	\$10,623	\$11,154	\$11,712	\$12,298
Police Chief	\$11,510	\$12,086	\$12,690	\$13,325	\$13,991
Public Works Director	\$10,737	\$11,274	\$11,838	\$12,430	\$13,052
Utilities Director	\$11,860	\$12,453	\$13,076	\$13,730	\$14,417
Effective 11/16/14					
Administrative Services Director	\$10,518	\$11,044	\$11,596	\$12,176	\$12,785
Assistant City Manager	\$11,501	\$12,076	\$12,680	\$13,314	\$13,980
Community Services Director	\$10,835	\$11,377	\$11,946	\$12,543	\$13,170
Electric Utility Director	\$11,274	\$11,838	\$12,430	\$13,052	\$13,705
Fire Chief	\$11,615	\$12,196	\$12,806	\$13,446	\$14,118
Planning and Building Director	\$10,623	\$11,154	\$11,712	\$12,298	\$12,913
Police Chief	\$12,086	\$12,690	\$13,325	\$13,991	\$14,691
Public Works Director	\$11,274	\$11,838	\$12,430	\$13,052	\$13,705
Utilities Director	\$12,453	\$13,076	\$13,730	\$14,417	\$15,138
Effective 7/1/15					
Administrative Services Director	\$10,728	\$11,265	\$11,828	\$12,419	\$13,040
Assistant City Manager	\$11,731	\$12,318	\$12,934	\$13,580	\$14,260
Community Services Director	\$11,052	\$11,604	\$12,185	\$12,794	\$13,434
Electric Utility Director	\$11,499	\$12,074	\$12,678	\$13,313	\$13,979
Fire Chief	\$11,847	\$12,440	\$13,062	\$13,715	\$14,401
Planning and Building Director	\$10,835	\$11,377	\$11,946	\$12,544	\$13,171
Police Chief	\$12,327	\$12,944	\$13,591	\$14,271	\$14,984
Public Works Director	\$11,499	\$12,074	\$12,678	\$13,313	\$13,979
Utilities Director	\$12,702	\$13,337	\$14,004	\$14,705	\$15,441
Effective 7/1/16					
Administrative Services Director	\$10,943	\$11,490	\$12,065	\$12,668	\$13,301
Assistant City Manager	\$11,966	\$12,564	\$13,193	\$13,852	\$14,545
Community Services Director	\$11,273	\$11,836	\$12,428	\$13,050	\$13,702
Electric Utility Director	\$11,729	\$12,316	\$12,932	\$13,579	\$14,258
Fire Chief	\$12,084	\$12,688	\$13,323	\$13,990	\$14,689
Planning and Building Director	\$11,052	\$11,605	\$12,185	\$12,794	\$13,435
Police Chief	\$12,574	\$13,203	\$13,863	\$14,556	\$15,284
Public Works Director	\$11,729	\$12,316	\$12,932	\$13,579	\$14,258
Utilities Director	\$12,956	\$13,604	\$14,284	\$14,999	\$15,749

APPENDIX 'B'

MEDICAL PREMIUMS BASED on 1% of Top Step Base Monthly Pay as identified in the MOU and projected Kaiser premium rate increases of 6% annually and 10% annually for Anthem Blue Cross. All numbers have been rounded to a whole number for purposes of this illustration.

Listed below are examples only

KAISER

FY 16-17 Projected Monthly Premium	City 90% Cap FY 15-16	FY 16-17 Premium Increase	Increased Premiums Cost Sharing	
			City	Employee
E \$667	\$566	\$38	\$19	\$19
E+1 \$1,334	\$1,132	\$76	\$38	\$38
E+2 \$1,887	\$1,603	\$106	\$53	\$53

ANTHEM

FY 16-17 Projected Monthly Premium	City Premium	FY 16-17 Increased Premium	Increased Premiums Cost Sharing	
			City	Employee
E \$797	\$585	\$72	\$19	\$53
E+1 \$1,675	\$1,170	\$153	\$38	\$115
E+2 \$2,392	\$1,656	\$217	\$53	\$164

EXAMPLES OF PROJECTED MONTHLY PREMIUMS

Health Plans	FY 15-16 Monthly Premiums			FY 16-17 Monthly Premiums		
	Premium	City (90% of Kaiser)	Employee	Premium	City (90% of Kaiser + cost share)	Employee
KAISER						
Single	\$629.30	\$566.37	\$62.93	\$667.06	\$585.25	\$81.81
Double	\$1,258.59	\$1,132.73	\$125.86	\$1,334.11	\$1,170.49	\$163.62
Family	\$1,780.92	\$1,602.82	\$178.09	\$1,887.77	\$1,656.25	\$231.52
ANTHEM BLUE CROSS						
Single	\$724.97	\$566.37	\$158.60	\$797.46	\$585.25	\$212.21
Double	\$1,522.51	\$1,132.73	\$389.78	\$1,674.76	\$1,170.49	\$504.27
Family	\$2,175.06	\$1,602.82	\$572.24	\$2,392.57	\$1,656.25	\$736.32