



## **CITY COUNCIL REPORT**

**REVISED**

**7E**

**DATE: JUNE 15, 2021**

**TO: MAYOR AND COUNCIL MEMBERS**

**FROM: ANDREW MURRAY, CITY MANAGER**

**SUBJECT: ADOPT A RESOLUTION APPROVING A REVISED COMPENSATION  
AND BENEFITS PLAN FOR MANAGEMENT AND CONFIDENTIAL  
EMPLOYEES**

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### **RECOMMENDATION**

City staff recommends that the City Council adopt a resolution approving a revised Compensation and Benefits Plan for Management and Confidential Employees ("Plan").

### **BACKGROUND**

The City Council adopted a City of Pinole Compensation and Benefits Plan for Management and Confidential Employees on November 17, 2020. Prior to that time, all staff in management and confidential job classifications had been employed under individual employment agreements (IEAs). It is the City's intention to transition, over time, all such staff appointed by the City Manager to the Plan.

While implementing the Plan since its adoption, City staff has determined that the Plan should be revised to clarify certain employment matters. The City Council adopted a revised version of the Plan on January 19, 2021, which specified the hourly pay rate for all classifications covered under the Plan and incorporated a higher rate of leave accrual for the Fire Battalion Chief classification based on its higher number of annual hours worked.

City staff has determined that some additional revisions to the Plan adopted in January 2021 would be beneficial.

### **REVIEW AND ANALYSIS**

The City engaged a firm with expertise in the California Public Employees' Retirement Law (PERL) as modified by the Public Employees' Pension Reform Act (PEPRA), Best Best & Krieger, to review the Plan in relation to PERL and PEPRA. The firm is recommending some revisions to the Plan's language that will clarify the City's and Plan's intent regarding PERSable compensation for employees covered by the Plan.

The firm is also recommending that the Plan include a salary schedule that covers all of the City's management and confidential job classifications, and that transitions from a

single value payrate for the management classifications to a salary range to ensure that future increases in compensation are PERSable so long as they fall within the established pay range and are consistent with merit increase guidelines set forth in the Plan.

City staff is also proposing revisions to the Plan to set the salary ranges for some new employee classifications that will be covered under the Plan, specifically the Community Development Director and the Public Works Director.

### **FISCAL IMPACT**

City staff does not expect there to be any fiscal impact due to the proposed revisions to the Plan.

### **ATTACHMENTS**

- A. Resolution  
Exhibit A - Compensation and Benefits Plan for Management and Confidential Employees – Revised June 15, 2021
- B. Compensation and Benefits Plan for Management and Confidential Employees – Revised June 15, 2021 (Redline)

# ATTACHMENT A

## RESOLUTION NO. 2021-\_\_\_\_

### RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PINOLE, COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA, APPROVING A REVISED COMPENSATION AND BENEFITS PLAN FOR MANAGEMENT AND CONFIDENTIAL EMPLOYEES

**WHEREAS**, the City Council adopted a City of Pinole Compensation and Benefits Plan for Management and Confidential Employees ("Plan") on November 17, 2020; and

**WHEREAS**, the City Council adopted a revised Plan on January 19, 2021; and

**WHEREAS**, it is the City's intention to transition, over time, all staff in management and confidential job classifications appointed by the City Manager, whom had previously been employed under individual employment agreements (IEAs), to the Plan; and

**WHEREAS**, while implementing the Plan since its adoption in November 2020, City staff has determined that the Plan should be revised to clarify certain employment matters;

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Pinole does hereby approve the revised City of Pinole Compensation and Benefits Plan for Management and Confidential Employees, attached hereto as Exhibit A and incorporated herein by this reference, effective June 15, 2021.

**PASSED AND ADOPTED** at a regular meeting of the Pinole City Council held on the 15th day of June 2021 by the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

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Heather Iopu, CMC  
City Clerk

**CITY OF PINOLE**

**COMPENSATION AND BENEFITS PLAN**

**FOR**

**MANAGEMENT AND CONFIDENTIAL**

**EMPLOYEES**

Effective Date November 17, 2020

Revised January 19, 2021

Revised June 15, 2021

**CITY OF PINOLE  
COMPENSATION AND BENEFITS PLAN  
MANAGEMENT AND CONFIDENTIAL EMPLOYEES**

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**CITY OF PINOLE  
MANAGEMENT AND CONFIDENTIAL EMPLOYEES  
COMPENSATION AND BENEFITS PLAN**

**ARTICLE ONE: INTRODUCTION**

**SECTION 1. ESTABLISHMENT AND PURPOSE**

The City of Pinole (“City”) wishes to establish and maintain a plan of compensation and benefits for management and confidential personnel of the City. Accordingly, the City sets forth this “Management and Confidential Employees Compensation and Benefits Plan” (also known as the “Plan”).

The purpose of this Plan is to establish the compensation and benefits applicable to the City’s management and confidential employees beyond those already approved in the Personnel Rules or other legislative actions of the City Council. Should there be any conflicting provisions between this Plan and the Personnel Rules, the Plan shall supersede.

**SECTION 2. ADMINISTRATION OF THE PLAN**

The Plan shall be administered by the City Manager or his/her designee. The City Manager shall have the authority to establish and revise policies and procedures to ensure fair and equitable administration of the Plan.

**SECTION 3. CLASSIFICATIONS**

The following management and confidential classifications are covered by this Plan.

- Assistant City Manager
- Community Development Director
- Development Services Director / City Engineer
- Finance Director
- Fire Battalion Chief
- Fire Chief
- Human Resources Specialist
- Planning Manager
- Police Chief
- Police Lieutenant
- Public Works Director
- Public Works Manager
- Recreation Manager
- Wastewater Treatment Plant Manager

#### **SECTION 4. AT-WILL STATUS**

All employees covered by this Plan are employed on an “at will” basis. Accordingly, both the City and the employee have the right to terminate the employment relationship at any time, with or without advance notice, and with or without cause.

#### **SECTION 5. TRANSITION TO THE PLAN**

The terms and conditions regarding compensation and benefits for the employees in classifications covered under this Plan have been set forth in individual employment agreements (“IEA”). This Plan and the provisions herein shall replace any and all IEAs upon the expiration of the IEAs. Conversely, employees may elect to voluntarily transition to the Plan prior to the expiration of their IEA, and may do so in a written document signed by both the employee and the City Manager. The written document will state that the employee has voluntarily terminated their IEA and will be covered under the Plan going forward. When an employee transitions from an IEA to the Plan, the City Manager shall set the employee’s initial salary under the Plan based on the employee’s attainment of the knowledge and skills required by the classification and the employee’s performance to-date in carrying out the duties of the classification. If an employee’s salary under the IEA is less than the minimum annual salary in the Plan, upon transitioning, the employee’s salary shall be at least the minimum annual salary reflected in the Plan. The salaries of all employees in classifications covered under this Plan shall adhere to the ranges for the employee’s respective classification as set by the Plan regardless of whether or not the employee is covered by an IEA or the Plan.

#### **SECTION 6. EFFECTIVE DATE**

This Plan and any revisions will become effective on the Effective Date stated on the Plan’s cover, and will continue to be in effect unless otherwise modified by the City Council.

## **ARTICLE TWO: COMPENSATION**

### **SECTION 7. MANAGEMENT SALARY RANGES**

#### **A. Initial Salary**

For new employees, the City Manager, or their designee, shall set the salary for individual employees covered by this Plan at the time of their initial appointment, within the established salary range for their classification. New hires may be appointed anywhere within the salary range for their classification.

#### **B. Base Compensation Structure**

As provided in Exhibit A, this Plan sets forth the base salary ranges for all classifications covered by this Plan. There shall be no specified or pre-determined “steps” within the salary ranges for employees covered by this Plan. Rather, each classification under this Plan shall be assigned an open salary range containing a 21.6% spread between the minimum and maximum points of the range.

### **SECTION 8. COST OF LIVING AND PAY RANGE ADJUSTMENTS**

At least annually, the City Council will consider a percentage cost of living adjustment to the salary ranges for all classifications covered by this Plan that considers inflationary increases in the cost of living. If the City Council approves a cost of living adjustment and an effective date, the minimum and maximum points of each classification’s range shall be increased by the percentage of the adjustment, and the salary of each individual employee covered by the Plan shall be increased by the percentage of the adjustment effective on the first day of the first pay period on or following the effective date set by the City Council.

Until such a time that all management and confidential classifications identified in Section 3 have fully transitioned to this Plan, the following establishes the intended groups and classes of employment pursuant to Government Code Section 20636(e), for the purposes of substantiating CalPERS compensation. The classifications below maintain eligibility to receive cost of living and pay range adjustments described in this Plan or the City’s labor agreement with the American Federation of State, County, and Municipal Employees (“AFSCME”) as described. Classifications are only eligible for one cost of living adjustment.

- AFSCME: Assistant City Manager, Development Services Director / City Engineer, Fire Chief, Planning Manager, Police Chief, Police Lieutenant, Public Works Manager, and Recreation Manager.

Effective the first day of the first full pay period following July 1, 2018 the identified classifications shall receive a 3.0% wage increase.

Effective the first day of the first full pay period following July 1, 2019 the identified classifications shall receive a 3.0% wage increase.

Effective the first day of the first full pay period following July 1, 2020 the identified classifications shall receive a 3.0% wage increase.

- This Management Compensation Plan: Finance Director, Community Development Director, Public Works Director, Human Resources Specialist, Fire Battalion Chief, and Wastewater Treatment Plant Manager, in addition to all classifications that are fully transitioned to this plan and all employees hired into a management or confidential classification on or after November 17, 2020.

## **SECTION 9. MERIT INCREASES AND PERFORMANCE EVALUATIONS**

### **A. Basis for Merit Increases**

In addition to the cost of living adjustment discussed above, an employee covered by this Plan may receive a merit increase, once per year in relation to their anniversary and annual performance appraisal. Merit increases will be based upon the quality of the employee's performance in the preceding twelve (12) months. Merit increases shall result in an employee advancing within the established salary range for their classification by the amount of the merit increase.

### **B. Performance Evaluation Process**

Performance evaluations for all employees covered under this Plan are the responsibility of the City Manager, who normally will delegate the responsibility of performance reviews to the covered employee's department head. The process for performance evaluations shall be conducted in accordance with Section 14 in the Personnel Rules, unless expressly provided otherwise below.

A performance evaluation shall be prepared at least annually on each employee's anniversary date.

The evaluation process shall begin with each employee preparing a self-evaluation of their own performance during the prior year. In addition, the employee shall draft proposed goals and objectives for the coming year.

The employee's supervisor shall then evaluate the employee's performance for the prior year. The evaluations of both the employee and supervisor shall focus on:

- (1) the employee's performance of their regular duties and responsibilities; and

- (2) the employee's attainment of specific goals and objectives established for the employee at the beginning of the review period (i.e. one year earlier).

Following completion of the written evaluations, the employee and their supervisor shall meet to discuss both the quality of the employee's performance of their regular duties and responsibilities and the employee's degree of success in accomplishing the specific goals and objectives set for them the previous year. They shall also review the employee's proposed goals and objectives for the coming year.

**C. Merit Adjustment Guidelines**

Employees may be granted a merit adjustment of up to five percent each year (5.0%) for exemplary performance.

**D. Cap on Merit Increases**

If an employee's salary is at the top of the salary range for their classification, the employee shall not be eligible for a merit increase.

If an employee's salary is below the top of the salary range for their classification, the employee may receive a merit increase in accordance with the provisions set forth above. If the amount of the merit increase awarded would cause the employee's salary to exceed the top of his/her salary range, then the employee shall receive as a merit increase only that portion of the merit increase that will bring his/her salary to the top of his/her range.

**SECTION 10. EQUITY ADJUSTMENTS**

The City Manager may authorize an increase to an individual employee's salary to address internal or external salary equity issues. Any equity adjustment shall consider relevant internal and external equity data in order to effectuate the intent of this section. Any adjusted salary must adhere to the minimum and maximum amounts of the employee's classification range.

**SECTION 11. SEVERANCE PAY**

Except as specifically noted otherwise, this section shall apply to all employees covered under this Plan.

In the event that the City terminates the employment of any employee covered by the Plan without cause after the first twelve (12) months of employment, the City shall pay the employee severance, in a sum equal to one (1) month base salary and the value of continuation of health insurance coverage for a period of one (1) month for every year of service, up to a maximum of six (6) months base salary and the value of continuation of health insurance coverage for a period of six (6) months (collectively "Severance"). Such severance is contingent upon the employee signing and delivering a general release of all claims against the City (including without limitation its former and current elected officials, employees, officers and agents). If the employee retires subsequent to separation and receives coverage under the City's retiree health plan within six months of

separation, the employee shall reimburse the City for the portion of the Severance associated with the value of continuation of health insurance coverage attributable to post-employment months after which the employee had coverage through the City's retiree health plan. If the employee is terminated for "cause," the City shall not owe any severance under this Plan. The determination of whether there is "cause" for termination shall include but not be limited to those items listed in the Personnel Rules. The term "cause" only relates to the potential to receive severance, and has no bearing on an employee's at-will status.

## **ARTICLE THREE: BENEFITS**

### **SECTION 12. SICK LEAVE**

#### **A. Rate of Sick Leave Earned**

Employees covered under this Plan shall accrue ninety-six (96) hours of sick leave per year, accrued incrementally each pay period. Any employee employed in the Fire Battalion Chief classification shall accrue sick leave at 1.4 times the amount above, as the Fire Battalion Chief's normal work schedule is 2,912 hours annually, 1.4 times the normal work schedule of all other employees covered by the Plan, which is 2,080 hours annually.

#### **B. Sick Leave Incentive**

An employee's sick leave use shall be reviewed by the City at the end of each calendar year. Employees who do not use any sick leave for six (6) consecutive months within the calendar year shall receive an additional four (4) hours of accrued vacation time (5.6 hours for the Fire Battalion Chief). Employees who do not use any sick leave for the entire calendar year (12 months) will receive an additional eight (8) hours of vacation time (11.2 hours for the Fire Battalion Chief).

#### **C. Other Use of Sick Leave**

All other conditions regulating sick leave accruals, usage, and family leave contained within the City's duly adopted Personnel Rules shall apply to all employees covered under this Plan.

### **SECTION 13. HOLIDAYS**

#### **A. Holiday Pay**

The Fire Battalion Chief covered by this Plan has routine scheduled staffing without regard to holidays, and therefore works on holidays as a part of their normal schedule. When worked, the employee shall receive, in lieu of holiday time off, eleven and one-fifth (11.2) hours of Holiday Pay at their straight time basic hourly rate for each holiday set forth in Section 13.B below.

#### **B. Holiday Leave**

Employees shall receive the following legal paid holidays:

- |                            |                               |
|----------------------------|-------------------------------|
| • January 1                | New Year's Day                |
| • Third Monday in January  | Martin Luther King's Birthday |
| • Third Monday in February | Washington's Birthday         |
| • Last Friday in March     | Caesar Chavez Day             |
| • Last Monday in May       | Memorial Day                  |

- |                               |                        |
|-------------------------------|------------------------|
| • July 4                      | Independence Day       |
| • First Monday in September   | Labor Day              |
| • November 11                 | Veteran's Day          |
| • Fourth Thursday in November | Thanksgiving           |
| • Fourth Friday in November   | Day after Thanksgiving |
| • December 25                 | Christmas              |

In the event that any of the aforementioned days falls on a Saturday, the preceding Friday shall be considered a holiday for pay and leave purposes. In the event that any of the aforementioned days falls on a Sunday, the following Monday shall be considered a holiday for pay and leave purposes. Every day proclaimed by the President or the Governor as a public fast, Thanksgiving, day of mourning, or holiday shall be observed as a holiday for pay purposes.

The Fire Battalion Chief shall receive 11.2 hours of straight time pay for each holiday listed above in lieu of receiving paid time off.

In addition, employees covered under this Plan shall receive twelve (12) hours of floating holidays each fiscal year. These hours are not vested and must be taken by June 30<sup>th</sup> of each year or they will be lost. These hours may not be cashed out. The Fire Battalion Chief shall receive 16.8 hours of floating holiday paid time off.

## **SECTION 14. ADMINISTRATIVE LEAVE**

### **A. Department Heads**

The following classifications shall be entitled to receive administrative leave at an accrual rate of ninety-six (96) hours per year, accrued incrementally each pay period, and may cash out no more than sixty-four (64) hours each year. Any balance remaining at the end of each calendar year will automatically be paid out at the employees' hourly base pay in effect on that date.

- Assistant City Manager
- Community Development Director
- Development Services Director/City Engineer
- Finance Director
- Fire Chief
- Police Chief
- Public Works Director

### **B. All Other Classifications**

Unless otherwise provided under this section, all other classifications covered by this Plan shall be entitled to receive administrative leave at an accrual rate of sixty (60) hours per year (84 hours for the Fire Battalion Chief), accrued incrementally each pay period, and may cash out no more than forty (40) hours each year (56 hours for the Fire Battalion

Chief). Any balance remaining at the end of each calendar year will automatically be paid out at the employees' hourly base pay in effect on that date.

## **SECTION 15. OTHER LEAVES**

Employee covered by this Plan shall receive all other leaves (Bereavement, Family and Medical, Jury Duty, Military, etc.) as provided to other Miscellaneous City employees.

## **SECTION 16. VACATION**

### **A. Rate of Vacation Earned**

Employees shall accrue vacation at the following rates, up to the following maximums, for continuous years of service performed:

<u>Years of Service</u>	<u>Hours Accrued Per Year</u>	<u>Maximum Accrual (Hours)</u>
0 – 4	96	192
5 – 9	144	288
10 – 15	160	320
16+	192	384

The Fire Battalion Chief shall accrue vacation and have a maximum accrual cap at 1.4 times the amounts of employees in other classifications covered under the Plan.

The City Manager may grant a new employee a higher annual accrual rate based on years of public service with other agencies or other appropriate factors. If a new employee is granted a higher initial rate of annual accrual, the employee's rate will stay the same until the employee advances, based on the years of City service, to the higher accrual step.

Employees covered by the Plan may cash out up to 52 hours of vacation annually, provided that he/she has a minimum of 20 days (160 hours) accumulated. The Fire Battalion Chief may cash out 72.8 hours of vacation annually, provided that he/she has a minimum of 224 hours accumulated.

Employees that transition from IEAs to the Plan shall accrue vacation at the rate that the employee receives under their IEA at the time of transition. The employee's rate will stay the same until the employee advances, based on the years of City service, to the higher accrual step per the table above. Employees that transition from IEAs to the Plan shall not have any cap on maximum accrual.

## **SECTION 17. MEDICAL BENEFITS**

### **A. Health Insurance**

The City shall make the following contributions toward the employee's health premium:

- Effective January 1, 2020, the City's contribution toward the employee's health premium will equal the 2019 Kaiser rate at each level of coverage.

- Effective January 1, 2021, and every January 1 thereafter, the City's contribution toward the employee's health premium will equal the Kaiser rate for the prior calendar year at each level of coverage.

## **B. Retiree Medical Insurance**

The City will contribute toward retiree health premiums, at the retiree's preferred family status, as follows:

- Employees hired before July 1, 2010 shall be:
  - eligible to continue in the CalPERS Health Plan and receive a City contribution toward their retiree health premium equal to that provided to current active employees, in accordance with Government Code Section 22892
  - offered the option to elect to participate in the vesting program as defined below (described by Government Code Section 22893) as soon after the program implementation as allowed per CalPERS regulations
- Employees hired on or after July 1, 2010 shall receive a City contribution toward their retiree health premium in an amount as described by Government Code Section 22893 (the PERS vesting schedule).

The percentage of employer contribution toward retiree health premiums is determined annually by CalPERS and shall be based on the member's completed years of credited service (excluding any purchased service credits) at retirement as shown in the table below. Employees must have a minimum of five (5) years of service with the City of Pinole and 10 years of total CalPERS service credit to be eligible for this benefit.

<b>Credited Years of Service</b>	<b>Percentage of Employer Contribution</b>
10	50
11	55
12	60
13	65
14	70
15	75
16	80
17	85
18	90
19	95
20 or more	100

**C. Medical In-Lieu**

Eligible full-time employees with alternate medical insurance shall be allowed to receive payment in lieu of medical insurance as follows:

- One-party coverage: \$225
- Two-party coverage: \$450
- Family coverage: \$600

An employee must show proof of adequate medical insurance coverage under another health plan before the benefit may be received, and annually thereafter. Employees will be subject to provisions of the City's health plans in the event termination of in-lieu benefits and resumption of medical coverage is desired.

Employees electing the medical in-lieu option shall be entitled to an adjustment in the amount received for this option should their coverage status change. It is the duty of the employee to notify Human Resources of any such changes.

**SECTION 18. DENTAL INSURANCE**

**A. Dental Insurance Provided**

The City shall pay for the dental insurance premiums for employees covered by this Plan and their eligible dependents, if desired. Selection of the carrier shall be at the discretion of the City.

The City-provided dental insurance plan provides for a maximum annual dental payout of \$1,500 total for each employee and their eligible dependents.

**B. Orthodontic Insurance Provided**

The City shall pay for the orthodontic insurance premiums for employees covered by this Plan and their eligible dependents, if desired. Selection of the carrier shall be at the discretion of the City.

The City-provided orthodontic insurance plan provides for a lifetime maximum orthodontic payout of \$1,500 for each employee and for each employee's eligible dependents.

**SECTION 19. VISION INSURANCE**

**A. Vision Insurance Provided**

The City agrees to pay the premium for full family vision care coverage that provides for one examination, one set of lenses, and one frame per year. Selection of the carrier shall

be at the discretion of the City. The City provided plan shall provide for a \$20 co-payment for examination and a \$20 co-payment for materials.

## **SECTION 20. LIFE INSURANCE**

### **A. Life Insurance Provided**

The City agrees to provide term life insurance and accidental death and dismemberment insurance in the amount of \$40,000 each per year/per employee. Selection of the carrier shall be at the discretion of the City.

## **SECTION 21. DISABILITY INSURANCE**

### **A. Disability Insurance Provided**

The City agrees to provide the State Disability Insurance program to employees covered by this Plan.

### **B. Disability Insurance Premium Rates**

- **Short Term Disability Rates**

The City shall provide, at its own expense, short-term disability insurance of two-thirds of salary (\$463 per week maximum benefit) with a 29-day waiting period.

- **Long Term Disability Rates**

The City shall provide, at its own expense, long term disability insurance of two-thirds of salary up to \$3,000 per month (\$2,001 maximum benefit) with a 90-day waiting period.

### **C. Disability Insurance Option for Upgrade**

Employees have the option to upgrade the plan to provide two-thirds of salary up to \$5,000 per month at employee expense provided that all employees covered under this Plan opt for this upgraded coverage with said expense taken as a payroll deduction and provided the selected carrier agrees to this change.

## **SECTION 22. DOMESTIC PARTNER MEDICAL COVERAGE**

### **A. Domestic Partnership and Coverage Defined**

A Domestic Partnership is defined pursuant to the California Family Code. The City, in accordance with CalPERS regulations, will allow coverage for registered domestic partners of employees, as qualified dependents, under the medical, dental, and vision health care plans. Prior to any coverage being provided, the employee must provide proof of domestic partnership registration with the California Secretary of State.

## **SECTION 23. INCENTIVE BENEFITS**

### **A. Educational Degree**

During the term of this Plan, the City will pay those employees who have earned degrees from accredited college institutions, additional pay as follows:

- Associate of Art/Science Degree                      \$ 75.00 per month
- Bachelor of Art/Science Degree                      \$150.00 per month
- Master of Art/Science Degree                      \$225.00 per month

An employee is only eligible to receive Educational Degree Pay under this section for one degree. An employee is not eligible to receive this pay for multiple degrees and/or disciplines.

This Educational Degree Pay shall only be paid to employees holding a degree beyond that which is required for their classification, as outlined in the classification description, and if a higher degree is determined to be beneficial by the City Manager, which shall not unreasonably be withheld.

## **SECTION 24. RETIREMENT PLAN FOR EMPLOYEES**

### **A. Retirement Plan Defined**

The City shall contract with the California Public Employees Retirement System (CalPERS) for the purpose of allowing employees to earn retirement benefits.

### **B. CalPERS Contract Benefits – Classic Employees**

For “Classic” Public Safety (3% @ 55 Plan) and Miscellaneous (2.5% @ 55 Plan) Members, the contract offers the following options:

- Military Buy Back - The choice to participate in the CalPERS Military Buy Back program is solely at the discretion and cost of the employee.
- Third Level 1959 Survivors Benefits
- Single Highest Year Compensation Formula
- Service Credit for Unused Sick Leave

### **C. CalPERS Employer Contribution Rate Sharing Formula for Classic Employees**

The total amount owed by the City to CalPERS related to retirement benefits of City employees and annuitants is composed of the plan total normal cost and the plan total amortized cost, which together are the “Plan Total Cost”. City employees pay an “expected” employee contribution toward the plan total normal cost. Unless otherwise established between the City and employees, the City pays to CalPERS the plan total cost less the expected employee contribution, which is paid to CalPERS by the employee through payroll deduction.

Employees covered under the Plan will pay an amount above the expected employee contribution, calculated as described below.

### **Public Safety Employees**

Employees covered by this Plan that participate in CalPERS as public safety plan Tier 1 (“Classic”) employees will contribute 9% of salary (expected employee contribution) and an additional 12.935% of salary (employee’s share of City rate). In the event the Plan Total Cost for the City’s Tier 1 public safety plan employees, when expressed as a percentage of payroll, increases in excess of 5.0% over the prior year’s contribution rate, the additional amount above the 5.0% increase shall be shared equally between the City and the employee. For example, if the employer contribution rate increases from one year to the next by 7%, then the City will pay 5% of that increase. For the remaining 2%, the City will pay 1% and the employee will pay 1%.

### **Miscellaneous Employees**

Employees covered by this Plan that participate in CalPERS as Tier 1 (“Classic”) employees will contribute 8% of salary (expected employee contribution) and an additional 8.388% of salary (employee’s share of City rate). In the event the Plan Total Cost for the City’s Tier 1 employees, when expressed as a percentage of payroll, increases in excess of 4.0% over the prior year’s contribution rate, the additional amount above the 4.0% increase shall be shared equally between the City and the employee. For example, if the employer contribution rate increases from one year to the next by 6%, then the City will pay 4% of that increase. For the remaining 2%, the City will pay 1% and the employee will pay 1%.

## **D. CalPERS Contract Benefits – PEPRA Employees**

Individuals first employed by the City on or after January 1, 2013 who are defined as “new members” by the Public Employees’ Pension Reform Act (PEPRA) of 2013, shall be enrolled in the CalPERS.

Employees classified as PEPRA Public Safety members will be enrolled in a 2.7% @ 57 plan. Employees designated as Local Miscellaneous PEPRA members will be enrolled in a 2% @ 62 plan. Employees covered by the Plan enrolled in CalPERS as PEPRA Public Safety or Local Miscellaneous members will be responsible to pay a contribution to CalPERS equal to 50% of the total normal cost for their defined Plan as determined by CalPERS.

## **SECTION 25. DEFERRED COMPENSATION – 457 PLAN**

The City shall make a 457 plan available for employees covered by the Plan to contribute to through payroll deduction.

## **SECTION 26. CLOTHING AND EQUIPMENT ALLOWANCE**

### **A. Uniform and Safety Equipment Allowance for Public Safety Employees**

Fire safety classifications covered by this Plan will receive an annual uniform allowance of \$800 per year for items which are not solely for personal health and safety, to align with the International Association of Firefighters, Local 1230's clothing allowance. After voluntarily transitioning to this Plan or at the time that an employee's Individual Employment Agreement expires, Fire safety classifications will be entitled to a clothing allowance of \$1,000 per year.

Police safety employees covered by this Plan shall receive an annual uniform allowance of \$1,000 for the purchase and maintenance of uniforms and accessories.

The uniform allowance will be paid twice annually, one-half (1/2) in June and one-half (1/2) in December. Newly hired employees shall be eligible for a pro-rated start-up allowance.

Police employees covered by this Plan shall receive an annual safety equipment allowance of \$255 for the purchase of equipment such as a weapon, holster, duty belt, handcuffs, baton, flashlight, etc. The safety equipment allowance shall be paid in the same fashion as the uniform allowance described above.

### **B. Safety Shoe Allowance**

The classifications listed under this section shall receive a safety shoe allowance in the amount of \$200 per year.

- Public Works Manager
- Wastewater Treatment Plant Manager

The allowance provided under this section will be paid twice annually, one-half (1/2) in June and one-half (1/2) in December.

## **SECTION 27. AUTO ALLOWANCE**

### **A. Police and Fire**

The City shall provide the following classifications with a city-owned automobile for use in discharging their duties, subject to all federal and state tax laws. The City shall also provide all expenses related to gasoline, maintenance and insurance of said vehicle. The classifications covered under this subsection shall have the unrestricted use of said vehicle within the State of California and shall not drive outside the state unless receiving prior approval from the City Manager.

- Police Chief
- Police Lieutenant
- Fire Chief

- Fire Battalion Chief

**B. All Other Employees**

The City shall provide employees with an automobile allowance in the form of a per mile reimbursement per IRS-approved mileage rates. These payments shall be made in conjunction with the City's normal payroll periods and subject to all federal and state withholding and tax laws.

**C. Elimination of Auto Allowance**

All employees hired on or after November 17, 2020 will not receive an automobile allowance.

**SECTION 28. CELLPHONE ALLOWANCE**

An employee covered under this Plan has the option to obtain a City-issued cellphone for business purposes. If the employee does not elect to receive a City-issued cellphone, the City shall provide the employee with a \$65 monthly stipend. This stipend shall be payable on one pay period each month and be subject to all federal and state withholding and tax laws.

The employee hereby acknowledges and agrees that receipt of this stipend means that any voicemail, text, or e-mail messages received on his or her device that are related to City business are the property of the City and are subject to disclosure in accordance with the Public Records Act and applicable case law. The employee further hereby confirms that he or she will provide authorization for the City to obtain such records from his or her service provider.

**SECTION 29. FIRE BATTALION CHIEF BACKFILL FOR PARTNER AGENCY**

The Fire Battalion Chief classification is distinct among the classifications covered by the Plan in that it performs shift work. The City of Pinole is a party, with the Rodeo-Hercules Fire District and the Contra Costa County Fire Protection District, to the Battalion 7 agreement, through which, among other things, each party provides a Fire Battalion Chief on a rotating shift basis to cover the needs of the entire Battalion 7. From time to time, the Pinole Fire Battalion Chief is required to cover a shift as Battalion Chief for Battalion 7 that is additional to the City's normal shifts. When the City's Fire Battalion Chief covers the Battalion Chief duties for another agency, the Fire Battalion Chief shall receive compensation at a rate of one and one-half times his or her basic hourly salary for the hours worked, not to exceed the amount reimbursed by the other agencies.

**SECTION 30. LONGEVITY PAY**

Consistent with the Pinole Police Employees Association's Longevity Pay, the Police Lieutenant classification will be eligible for Longevity Pay amounting to 3% of the employee's base straight-time pay once they have reached 15 years of service.

**EXHIBIT “A”**  
**MANAGEMENT GROUP SALARY RANGES**  
Effective 07/06/2020  
Revised 06/15/2021

MANAGEMENT* @ 07/06/2020	Minimum Annual Salary	Minimum Hourly Rate	Maximum Annual Salary	Maximum Hourly Rate
Assistant City Manager	\$192,893	\$92.7370	\$234,463	\$112.7225
Police Chief	\$192,893	\$92.7370	\$234,463	\$112.7225
Development Services Director/City Engineer	\$183,708	\$88.3212	\$223,298	\$107.3547
Community Development Director	\$167,007	\$80.2918	\$202,999	\$97.5957
Finance Director	\$167,007	\$80.2918	\$202,999	\$97.5957
Fire Chief	\$167,007	\$80.2918	\$202,999	\$97.5957
Public Works Director	\$167,007	\$80.2918	\$202,999	\$97.5957
Fire Battalion Chief	\$144,517	\$69.4793	\$175,661	\$84.4524
Planning Manager	\$144,517	\$69.4793	\$175,661	\$84.4524
Police Lieutenant	\$131,379	\$63.1630	\$159,692	\$76.7750
Wastewater Treatment Plant Manager	\$119,436	\$57.4212	\$145,174	\$69.7952
Public Works Manager	\$106,165	\$51.0409	\$129,044	\$62.0404
Recreation Manager	\$106,165	\$51.0409	\$129,044	\$62.0404
Human Resources Specialist	\$67,280	\$32.3462	\$81,779	\$39.3168

**CITY OF PINOLE**

**COMPENSATION AND BENEFITS PLAN**

**FOR**

**MANAGEMENT AND CONFIDENTIAL**

**EMPLOYEES**

Effective Date November 17, 2020

Revised January 19, 2021

Revised June 15, 2021

**CITY OF PINOLE  
COMPENSATION AND BENEFITS PLAN  
MANAGEMENT AND CONFIDENTIAL EMPLOYEES**

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**CITY OF PINOLE  
MANAGEMENT AND CONFIDENTIAL EMPLOYEES  
COMPENSATION AND BENEFITS PLAN**

**ARTICLE ONE: INTRODUCTION**

**SECTION 1. ESTABLISHMENT AND PURPOSE**

The City of Pinole (“City”) wishes to establish and maintain a plan of compensation and benefits for management and confidential personnel of the City. Accordingly, the City sets forth this “Management and Confidential Employees Compensation and Benefits Plan” (also known as the “Plan”).

The purpose of this Plan is to establish the compensation and benefits applicable to the City’s management and confidential employees beyond those already approved in the Personnel Rules or other legislative actions of the City Council. Should there be any conflicting provisions between this Plan and the Personnel Rules, the Plan shall supersede.

**SECTION 2. ADMINISTRATION OF THE PLAN**

The Plan shall be administered by the City Manager or his/her designee. The City Manager shall have the authority to establish and revise policies and procedures to ensure fair and equitable administration of the Plan.

**SECTION 3. CLASSIFICATIONS**

The following management and confidential classifications are covered by this Plan.

- Assistant City Manager
- Community Development Director
- Development Services Director / City Engineer
- Finance Director
- Fire Battalion Chief
- Fire Chief
- Human Resources Specialist
- Planning Manager
- Police Chief
- Police Lieutenant
- Public Works Director
- Public Works Manager
- Recreation Manager
- Wastewater Treatment Plant Manager

#### **SECTION 4. AT-WILL STATUS**

All employees covered by this Plan are employed on an “at will” basis. Accordingly, both the City and the employee have the right to terminate the employment relationship at any time, with or without advance notice, and with or without cause.

#### **SECTION 5. TRANSITION TO THE PLAN**

The terms and conditions regarding compensation and benefits for the employees in classifications covered under this Plan have been set forth in individual employment agreements (“IEA”). This Plan and the provisions herein shall replace any and all IEAs upon the expiration of the IEAs. Conversely, employees may elect to voluntarily transition to the Plan prior to the expiration of their IEA, and may do so in a written document signed by both the employee and the City Manager. The written document will state that the employee has voluntarily terminated their IEA and will be covered under the Plan going forward. When an employee transitions from an IEA to the Plan, the City Manager shall set the employee’s initial salary under the Plan based on the employee’s attainment of the knowledge and skills required by the classification and the employee’s performance to-date in carrying out the duties of the classification. If an employee’s salary under the IEA is less than the minimum annual salary in the Plan, upon transitioning, the employee’s salary shall be at least the minimum annual salary reflected in the Plan. The salaries of all employees in classifications covered under this Plan shall adhere to the ranges for the employee’s respective classification as set by the Plan regardless of whether or not the employee is covered by an IEA or the Plan.

#### **SECTION 6. EFFECTIVE DATE**

This Plan and any revisions will become effective on the Effective Date stated on the Plan’s cover, and will continue to be in effect unless otherwise modified by the City Council.

## **ARTICLE TWO: COMPENSATION**

### **SECTION 7. MANAGEMENT SALARY RANGES**

#### **A. Initial Salary**

For new employees, the City Manager, or their designee, shall set the salary for individual employees covered by this Plan at the time of their initial appointment, within the established salary range for their classification. New hires may be appointed anywhere within the salary range for their classification.

#### **B. Base Compensation Structure**

As provided in Exhibit A, this Plan sets forth the base salary ranges for all classifications covered by this Plan. There shall be no specified or pre-determined “steps” within the salary ranges for employees covered by this Plan. Rather, each classification under this Plan shall be assigned an open salary range containing a 21.6% spread between the minimum and maximum points of the range.

### **SECTION 8. COST OF LIVING AND PAY RANGE ADJUSTMENTS**

At least annually, the City Council will consider a percentage cost of living adjustment to the salary ranges for all classifications covered by this Plan that considers inflationary increases in the cost of living. If the City Council approves a cost of living adjustment and an effective date, the minimum and maximum points of each classification’s range shall be increased by the percentage of the adjustment, and the salary of each individual employee covered by the Plan shall be increased by the percentage of the adjustment effective on the first day of the first pay period on or following the effective date set by the City Council.

Until such a time that all management and confidential classifications identified in Section 3 have fully transitioned to this Plan, the following establishes the intended groups and classes of employment pursuant to Government Code Section 20636(e), for the purposes of substantiating CalPERS compensation. The classifications below maintain eligibility to receive cost of living and pay range adjustments described in this Plan or the City’s labor agreement with the American Federation of State, County, and Municipal Employees (“AFSCME”) as described. Classifications are only eligible for one cost of living adjustment.

- AFSCME: Assistant City Manager, Development Services Director / City Engineer, Fire Chief, Planning Manager, Police Chief, Police Lieutenant, Public Works Manager, and Recreation Manager.

Effective the first day of the first full pay period following July 1, 2018 the identified classifications shall receive a 3.0% wage increase.

Effective the first day of the first full pay period following July 1, 2019 the identified classifications shall receive a 3.0% wage increase.

Effective the first day of the first full pay period following July 1, 2020 the identified classifications shall receive a 3.0% wage increase.

- This Management Compensation Plan: Finance Director, Community Development Director, Public Works Director, Human Resources Specialist, Fire Battalion Chief, and Wastewater Treatment Plant Manager, in addition to all classifications that are fully transitioned to this plan and all employees hired into a management or confidential classification on or after November 17, 2020.

## **SECTION 9. MERIT INCREASES AND PERFORMANCE EVALUATIONS**

### **A. Basis for Merit Increases**

In addition to the cost of living adjustment discussed above, an employee covered by this Plan may receive a merit increase, once per year in relation to their anniversary and annual performance appraisal. Merit increases will be based upon the quality of the employee's performance in the preceding twelve (12) months. Merit increases shall result in an employee advancing within the established salary range for their classification by the amount of the merit increase.

### **B. Performance Evaluation Process**

Performance evaluations for all employees covered under this Plan are the responsibility of the City Manager, who normally will delegate the responsibility of performance reviews to the covered employee's department head. The process for performance evaluations shall be conducted in accordance with Section 14 in the Personnel Rules, unless expressly provided otherwise below.

A performance evaluation shall be prepared at least annually on each employee's anniversary date.

The evaluation process shall begin with each employee preparing a self-evaluation of their own performance during the prior year. In addition, the employee shall draft proposed goals and objectives for the coming year.

The employee's supervisor shall then evaluate the employee's performance for the prior year. The evaluations of both the employee and supervisor shall focus on:

- (1) the employee's performance of their regular duties and responsibilities; and

- (2) the employee's attainment of specific goals and objectives established for the employee at the beginning of the review period (i.e. one year earlier).

Following completion of the written evaluations, the employee and their supervisor shall meet to discuss both the quality of the employee's performance of their regular duties and responsibilities and the employee's degree of success in accomplishing the specific goals and objectives set for them the previous year. They shall also review the employee's proposed goals and objectives for the coming year.

**C. Merit Adjustment Guidelines**

Employees may be granted a merit adjustment of up to five percent each year (5.0%) for exemplary performance.

**D. Cap on Merit Increases**

If an employee's salary is at the top of the salary range for their classification, the employee shall not be eligible for a merit increase.

If an employee's salary is below the top of the salary range for their classification, the employee may receive a merit increase in accordance with the provisions set forth above. If the amount of the merit increase awarded would cause the employee's salary to exceed the top of his/her salary range, then the employee shall receive as a merit increase only that portion of the merit increase that will bring his/her salary to the top of his/her range.

**SECTION 10. EQUITY ADJUSTMENTS**

The City Manager may authorize an increase to an individual employee's salary to address internal or external salary equity issues. Any equity adjustment shall consider relevant internal and external equity data in order to effectuate the intent of this section. Any adjusted salary must adhere to the minimum and maximum amounts of the employee's classification range.

**SECTION 11. SEVERANCE PAY**

Except as specifically noted otherwise, this section shall apply to all employees covered under this Plan.

In the event that the City terminates the employment of any employee covered by the Plan without cause after the first twelve (12) months of employment, the City shall pay the employee severance, in a sum equal to one (1) month base salary and the value of continuation of health insurance coverage for a period of one (1) month for every year of service, up to a maximum of six (6) months base salary and the value of continuation of health insurance coverage for a period of six (6) months (collectively "Severance"). Such severance is contingent upon the employee signing and delivering a general release of all claims against the City (including without limitation its former and current elected officials, employees, officers and agents). If the employee retires subsequent to separation and receives coverage under the City's retiree health plan within six months of

separation, the employee shall reimburse the City for the portion of the Severance associated with the value of continuation of health insurance coverage attributable to post-employment months after which the employee had coverage through the City's retiree health plan. If the employee is terminated for "cause," the City shall not owe any severance under this Plan. The determination of whether there is "cause" for termination shall include but not be limited to those items listed in the Personnel Rules. The term "cause" only relates to the potential to receive severance, and has no bearing on an employee's at-will status.

## **ARTICLE THREE: BENEFITS**

### **SECTION 12. SICK LEAVE**

#### **A. Rate of Sick Leave Earned**

Employees covered under this Plan shall accrue ninety-six (96) hours of sick leave per year, accrued incrementally each pay period. Any employee employed in the Fire Battalion Chief classification shall accrue sick leave at 1.4 times the amount above, as the Fire Battalion Chief's normal work schedule is 2,912 hours annually, 1.4 times the normal work schedule of all other employees covered by the Plan, which is 2,080 hours annually.

#### **B. Sick Leave Incentive**

An employee's sick leave use shall be reviewed by the City at the end of each calendar year. Employees who do not use any sick leave for six (6) consecutive months within the calendar year shall receive an additional four (4) hours of accrued vacation time (5.6 hours for the Fire Battalion Chief). Employees who do not use any sick leave for the entire calendar year (12 months) will receive an additional eight (8) hours of vacation time (11.2 hours for the Fire Battalion Chief).

#### **C. Other Use of Sick Leave**

All other conditions regulating sick leave accruals, usage, and family leave contained within the City's duly adopted Personnel Rules shall apply to all employees covered under this Plan.

### **SECTION 13. HOLIDAYS**

#### **A. Holiday Pay**

The Fire Battalion Chief covered by this Plan has routine scheduled staffing without regard to holidays, and therefore works on holidays as a part of their normal schedule. When worked, the employee shall receive, in lieu of holiday time off, eleven and one-fifth (11.2) hours of Holiday Pay at their straight time basic hourly rate for each holiday set forth in Section 13.B below.

#### **B. Holiday Leave**

Employees shall receive the following legal paid holidays:

- |                            |                               |
|----------------------------|-------------------------------|
| • January 1                | New Year's Day                |
| • Third Monday in January  | Martin Luther King's Birthday |
| • Third Monday in February | Washington's Birthday         |
| • Last Friday in March     | Caesar Chavez Day             |
| • Last Monday in May       | Memorial Day                  |

- |                               |                        |
|-------------------------------|------------------------|
| • July 4                      | Independence Day       |
| • First Monday in September   | Labor Day              |
| • November 11                 | Veteran's Day          |
| • Fourth Thursday in November | Thanksgiving           |
| • Fourth Friday in November   | Day after Thanksgiving |
| • December 25                 | Christmas              |

In the event that any of the aforementioned days falls on a Saturday, the preceding Friday shall be considered a holiday for pay and leave purposes. In the event that any of the aforementioned days falls on a Sunday, the following Monday shall be considered a holiday for pay and leave purposes. Every day proclaimed by the President or the Governor as a public fast, Thanksgiving, day of mourning, or holiday shall be observed as a holiday for pay purposes.

The Fire Battalion Chief shall receive 11.2 hours of straight time pay for each holiday listed above in lieu of receiving paid time off.

In addition, employees covered under this Plan shall receive twelve (12) hours of floating holidays each fiscal year. These hours are not vested and must be taken by June 30<sup>th</sup> of each year or they will be lost. These hours may not be cashed out. The Fire Battalion Chief shall receive 16.8 hours of floating holiday paid time off.

#### **SECTION 14. ADMINISTRATIVE LEAVE**

##### **A. Department Heads**

The following classifications shall be entitled to receive administrative leave at an accrual rate of ninety-six (96) hours per year, accrued incrementally each pay period, and may cash out no more than sixty-four (64) hours each year. Any balance remaining at the end of each calendar year will automatically be paid out at the employees' hourly base pay in effect on that date.

- Assistant City Manager
- Community Development Director
- Development Services Director/City Engineer
- Finance Director
- Fire Chief
- Police Chief
- Public Works Director

##### **B. All Other Classifications**

Unless otherwise provided under this section, all other classifications covered by this Plan shall be entitled to receive administrative leave at an accrual rate of sixty (60) hours per year (84 hours for the Fire Battalion Chief), accrued incrementally each pay period, and may cash out no more than forty (40) hours each year (56 hours for the Fire Battalion

Chief). Any balance remaining at the end of each calendar year will automatically be paid out at the employees' hourly base pay in effect on that date.

## **SECTION 15. OTHER LEAVES**

Employee covered by this Plan shall receive all other leaves (Bereavement, Family and Medical, Jury Duty, Military, etc.) as provided to other Miscellaneous City employees.

## **SECTION 16. VACATION**

### **A. Rate of Vacation Earned**

Employees shall accrue vacation at the following rates, up to the following maximums, for continuous years of service performed:

<u>Years of Service</u>	<u>Hours Accrued Per Year</u>	<u>Maximum Accrual (Hours)</u>
0 – 4	96	192
5 – 9	144	288
10 – 15	160	320
16+	192	384

The Fire Battalion Chief shall accrue vacation and have a maximum accrual cap at 1.4 times the amounts of employees in other classifications covered under the Plan.

The City Manager may grant a new employee a higher annual accrual rate based on years of public service with other agencies or other appropriate factors. If a new employee is granted a higher initial rate of annual accrual, the employee's rate will stay the same until the employee advances, based on the years of City service, to the higher accrual step.

Employees covered by the Plan may cash out up to 52 hours of vacation annually, provided that he/she has a minimum of 20 days (160 hours) accumulated. The Fire Battalion Chief may cash out 72.8 hours of vacation annually, provided that he/she has a minimum of 224 hours accumulated.

Employees that transition from IEAs to the Plan shall accrue vacation at the rate that the employee receives under their IEA at the time of transition. The employee's rate will stay the same until the employee advances, based on the years of City service, to the higher accrual step per the table above. Employees that transition from IEAs to the Plan shall not have any cap on maximum accrual.

## **SECTION 17. MEDICAL BENEFITS**

### **A. Health Insurance**

The City shall make the following contributions toward the employee's health premium:

- Effective January 1, 2020, the City's contribution toward the employee's health premium will equal the 2019 Kaiser rate at each level of coverage.

- Effective January 1, 2021, and every January 1 thereafter, the City's contribution toward the employee's health premium will equal the Kaiser rate for the prior calendar year at each level of coverage.

## **B. Retiree Medical Insurance**

The City will contribute toward retiree health premiums, at the retiree's preferred family status, as follows:

- Employees hired before July 1, 2010 shall be:
  - eligible to continue in the CalPERS Health Plan and receive a City contribution toward their retiree health premium equal to that provided to current active employees, in accordance with Government Code Section 22892
  - offered the option to elect to participate in the vesting program as defined below (described by Government Code Section 22893) as soon after the program implementation as allowed per CalPERS regulations
- Employees hired on or after July 1, 2010 shall receive a City contribution toward their retiree health premium in an amount as described by Government Code Section 22893 (the PERS vesting schedule).

The percentage of employer contribution toward retiree health premiums is determined annually by CalPERS and shall be based on the member's completed years of credited service (excluding any purchased service credits) at retirement as shown in the table below. Employees must have a minimum of five (5) years of service with the City of Pinole and 10 years of total CalPERS service credit to be eligible for this benefit.

<b>Credited Years of Service</b>	<b>Percentage of Employer Contribution</b>
10	50
11	55
12	60
13	65
14	70
15	75
16	80
17	85
18	90
19	95
20 or more	100

**C. Medical In-Lieu**

Eligible full-time employees with alternate medical insurance shall be allowed to receive payment in lieu of medical insurance as follows:

- One-party coverage: \$225
- Two-party coverage: \$450
- Family coverage: \$600

An employee must show proof of adequate medical insurance coverage under another health plan before the benefit may be received, and annually thereafter. Employees will be subject to provisions of the City's health plans in the event termination of in-lieu benefits and resumption of medical coverage is desired.

Employees electing the medical in-lieu option shall be entitled to an adjustment in the amount received for this option should their coverage status change. It is the duty of the employee to notify Human Resources of any such changes.

**SECTION 18. DENTAL INSURANCE**

**A. Dental Insurance Provided**

The City shall pay for the dental insurance premiums for employees covered by this Plan and their eligible dependents, if desired. Selection of the carrier shall be at the discretion of the City.

The City-provided dental insurance plan provides for a maximum annual dental payout of \$1,500 total for each employee and their eligible dependents.

**B. Orthodontic Insurance Provided**

The City shall pay for the orthodontic insurance premiums for employees covered by this Plan and their eligible dependents, if desired. Selection of the carrier shall be at the discretion of the City.

The City-provided orthodontic insurance plan provides for a lifetime maximum orthodontic payout of \$1,500 for each employee and for each employee's eligible dependents.

**SECTION 19. VISION INSURANCE**

**A. Vision Insurance Provided**

The City agrees to pay the premium for full family vision care coverage that provides for one examination, one set of lenses, and one frame per year. Selection of the carrier shall

be at the discretion of the City. The City provided plan shall provide for a \$20 co-payment for examination and a \$20 co-payment for materials.

## **SECTION 20. LIFE INSURANCE**

### **A. Life Insurance Provided**

The City agrees to provide term life insurance and accidental death and dismemberment insurance in the amount of \$40,000 each per year/per employee. Selection of the carrier shall be at the discretion of the City.

## **SECTION 21. DISABILITY INSURANCE**

### **A. Disability Insurance Provided**

The City agrees to provide the State Disability Insurance program to employees covered by this Plan.

### **B. Disability Insurance Premium Rates**

- **Short Term Disability Rates**

The City shall provide, at its own expense, short-term disability insurance of two-thirds of salary (\$463 per week maximum benefit) with a 29-day waiting period.

- **Long Term Disability Rates**

The City shall provide, at its own expense, long term disability insurance of two-thirds of salary up to \$3,000 per month (\$2,001 maximum benefit) with a 90-day waiting period.

### **C. Disability Insurance Option for Upgrade**

Employees have the option to upgrade the plan to provide two-thirds of salary up to \$5,000 per month at employee expense provided that all employees covered under this Plan opt for this upgraded coverage with said expense taken as a payroll deduction and provided the selected carrier agrees to this change.

## **SECTION 22. DOMESTIC PARTNER MEDICAL COVERAGE**

### **A. Domestic Partnership and Coverage Defined**

A Domestic Partnership is defined pursuant to the California Family Code. The City, in accordance with CalPERS regulations, will allow coverage for registered domestic partners of employees, as qualified dependents, under the medical, dental, and vision health care plans. Prior to any coverage being provided, the employee must provide proof of domestic partnership registration with the California Secretary of State.

## **SECTION 23. INCENTIVE BENEFITS**

### **A. Educational Degree**

During the term of this Plan, the City will pay those employees who have earned degrees from accredited college institutions, additional pay as follows:

- Associate of Art/Science Degree \$ 75.00 per month
- Bachelor of Art/Science Degree \$150.00 per month
- Master of Art/Science Degree \$225.00 per month

An employee is only eligible to receive Educational Degree Pay under this section for one degree. An employee is not eligible to receive this pay for multiple degrees and/or disciplines.

This Educational Degree Pay shall only be paid to employees holding a degree beyond that which is required for their classification, as outlined in the classification description, and if a higher degree is determined to be beneficial by the City Manager, which shall not unreasonably be withheld.

## **SECTION 24. RETIREMENT PLAN FOR EMPLOYEES**

### **A. Retirement Plan Defined**

The City shall contract with the California Public Employees Retirement System (CalPERS) for the purpose of allowing employees to earn retirement benefits.

### **B. CalPERS Contract Benefits – Classic Employees**

For “Classic” Public Safety (3% @ 55 Plan) and Miscellaneous (2.5% @ 55 Plan) Members, the contract offers the following options:

- Military Buy Back - The choice to participate in the CalPERS Military Buy Back program is solely at the discretion and cost of the employee.
- Third Level 1959 Survivors Benefits
- Single Highest Year Compensation Formula
- Service Credit for Unused Sick Leave

### **C. CalPERS Employer Contribution Rate Sharing Formula for Classic Employees**

The total amount owed by the City to CalPERS related to retirement benefits of City employees and annuitants is composed of the plan total normal cost and the plan total amortized cost, which together are the “Plan Total Cost”. City employees pay an “expected” employee contribution toward the plan total normal cost. Unless otherwise established between the City and employees, the City pays to CalPERS the plan total cost less the expected employee contribution, which is paid to CalPERS by the employee through payroll deduction.

Employees covered under the Plan will pay an amount above the expected employee contribution, calculated as described below.

#### **Public Safety Employees**

Employees covered by this Plan that participate in CalPERS as public safety plan Tier 1 (“Classic”) employees will contribute 9% of salary (expected employee contribution) and an additional 12.935% of salary (employee’s share of City rate). In the event the Plan Total Cost for the City’s Tier 1 public safety plan employees, when expressed as a percentage of payroll, increases in excess of 5.0% over the prior year’s contribution rate, the additional amount above the 5.0% increase shall be shared equally between the City and the employee. For example, if the employer contribution rate increases from one year to the next by 7%, then the City will pay 5% of that increase. For the remaining 2%, the City will pay 1% and the employee will pay 1%.

#### **Miscellaneous Employees**

Employees covered by this Plan that participate in CalPERS as Tier 1 (“Classic”) employees will contribute 8% of salary (expected employee contribution) and an additional 8.388% of salary (employee’s share of City rate). In the event the Plan Total Cost for the City’s Tier 1 employees, when expressed as a percentage of payroll, increases in excess of 4.0% over the prior year’s contribution rate, the additional amount above the 4.0% increase shall be shared equally between the City and the employee. For example, if the employer contribution rate increases from one year to the next by 6%, then the City will pay 4% of that increase. For the remaining 2%, the City will pay 1% and the employee will pay 1%.

#### **D. CalPERS Contract Benefits – PEPRAs Employees**

Individuals first employed by the City on or after January 1, 2013 who are defined as “new members” by the Public Employees’ Pension Reform Act (PEPRA) of 2013, shall be enrolled in the CalPERS.

Employees classified as PEPRA Public Safety members will be enrolled in a 2.7% @ 57 plan. Employees designated as Local Miscellaneous PEPRA members will be enrolled in a 2% @ 62 plan. Employees covered by the Plan enrolled in CalPERS as PEPRA Public Safety or Local Miscellaneous members will be responsible to pay a contribution to CalPERS equal to 50% of the total normal cost for their defined Plan as determined by CalPERS.

#### **SECTION 25. DEFERRED COMPENSATION – 457 PLAN**

The City shall make a 457 plan available for employees covered by the Plan to contribute to through payroll deduction.

## SECTION 26. CLOTHING AND EQUIPMENT ALLOWANCE

### A. Uniform and Safety Equipment Allowance for Public Safety Employees

Fire safety classifications covered by this Plan will receive an annual uniform allowance of \$800 per year for items which are not solely for personal health and safety, to align with the International Association of Firefighters, Local 1230's clothing allowance. After voluntarily transitioning to this Plan or at the time that an employee's Individual Employment Agreement expires, Fire safety classifications will be entitled to a clothing allowance of \$1,000 per year.

~~Public~~ Police safety employees covered by this Plan shall receive an annual uniform allowance of \$1,000 for the purchase and maintenance of uniforms and accessories.

The uniform allowance will be paid twice annually, one-half (1/2) in June and one-half (1/2) in December. Newly hired employees shall be eligible for a pro-rated start-up allowance.

Police employees covered by this Plan shall receive an annual safety equipment allowance of \$255 for the purchase of equipment such as a weapon, holster, duty belt, handcuffs, baton, flashlight, etc. The safety equipment allowance shall be paid in the same fashion as the uniform allowance described above.

### B. Safety Shoe Allowance

The classifications listed under this section shall receive a safety shoe allowance in the amount of \$200 per year.

- Public Works Manager
- Wastewater Treatment Plant Manager

The allowance provided under this section will be paid twice annually, one-half (1/2) in June and one-half (1/2) in December.

## SECTION 27. AUTO ALLOWANCE

### A. Police and Fire

The City shall provide the following classifications with a city-owned automobile for use in discharging their duties, subject to all federal and state tax laws. The City shall also provide all expenses related to gasoline, maintenance and insurance of said vehicle. The classifications covered under this subsection shall have the unrestricted use of said vehicle within the State of California and shall not drive outside the state unless receiving prior approval from the City Manager.

- Police Chief
- Police Lieutenant
- Fire Chief

- Fire Battalion Chief

**B. All Other Employees**

The City shall provide employees with an automobile allowance in the form of a per mile reimbursement per IRS-approved mileage rates. These payments shall be made in conjunction with the City's normal payroll periods and subject to all federal and state withholding and tax laws.

**C. Elimination of Auto Allowance**

All employees hired on or after November 17, 2020 will not receive an automobile allowance.

**SECTION 28. CELLPHONE ALLOWANCE**

An employee covered under this Plan has the option to obtain a City-issued cellphone for business purposes. If the employee does not elect to receive a City-issued cellphone, the City shall provide the employee with a \$65 monthly stipend. This stipend shall be payable on one pay period each month and be subject to all federal and state withholding and tax laws.

The employee hereby acknowledges and agrees that receipt of this stipend means that any voicemail, text, or e-mail messages received on his or her device that are related to City business are the property of the City and are subject to disclosure in accordance with the Public Records Act and applicable case law. The employee further hereby confirms that he or she will provide authorization for the City to obtain such records from his or her service provider.

**SECTION 29. FIRE BATTALION CHIEF BACKFILL FOR PARTNER AGENCY**

The Fire Battalion Chief classification is distinct among the classifications covered by the Plan in that it performs shift work. The City of Pinole is a party, with the Rodeo-Hercules Fire District and the Contra Costa County Fire Protection District, to the Battalion 7 agreement, through which, among other things, each party provides a Fire Battalion Chief on a rotating shift basis to cover the needs of the entire Battalion 7. From time to time, the Pinole Fire Battalion Chief is required to cover a shift as Battalion Chief for Battalion 7 that is additional to the City's normal shifts. When the City's Fire Battalion Chief covers the Battalion Chief duties for another agency, the Fire Battalion Chief shall receive compensation at a rate of one and one-half times his or her basic hourly salary for the hours worked, not to exceed the amount reimbursed by the other agencies.

**SECTION 30. LONGEVITY PAY**

Consistent with the Pinole Police Employees Association's Longevity Pay, the Police Lieutenant classification will be eligible for Longevity Pay amounting to 3% of the employee's base straight-time pay once they have reached 15 years of service.

**EXHIBIT “A”**

**MANAGEMENT GROUP SALARY RANGES**

~~EFFECTIVE~~ Effective 07/06/2020

~~Revised 06/15/2021~~ JANUARY 19, 2021

<u>Classification</u>	<u>Minimum Annual Salary</u>	<u>Minimum Hourly Rate</u>	<u>Maximum Annual Salary</u>	<u>Maximum Hourly Rate</u>
<del>Assistant City Manager</del>	<del>\$192,893.01</del>	<del>\$92.7370</del>	<del>\$234,463.00</del>	<del>\$112.7226</del>
<del>Police Chief</del>	<del>\$192,893.00</del>	<del>\$92.7370</del>	<del>\$234,463.00</del>	<del>\$112.7226</del>
<del>Development Services Director/City Engineer</del>	<del>\$183,708.00</del>	<del>\$88.3212</del>	<del>\$223,298.00</del>	<del>\$107.3548</del>
<del>Finance Director</del>	<del>\$167,007.00</del>	<del>\$80.2918</del>	<del>\$202,999.00</del>	<del>\$97.5957</del>
<del>Fire Chief</del>	<del>\$167,007.00</del>	<del>\$80.2918</del>	<del>\$202,999.00</del>	<del>\$97.5957</del>
<del>Fire Battalion Chief</del>	<del>\$144,517.00</del>	<del>\$69.6281</del>	<del>\$175,661.00</del>	<del>\$60.3231</del>
<del>Planning Manager</del>	<del>\$144,517.00</del>	<del>\$69.6281</del>	<del>\$175,661.00</del>	<del>\$60.3231</del>
<del>Police Lieutenant</del>	<del>\$131,379.00</del>	<del>\$63.1630</del>	<del>\$159,692.00</del>	<del>\$76.7750</del>
<del>Wastewater Treatment Plant Manager</del>	<del>\$119,436.00</del>	<del>\$57.4212</del>	<del>\$145,174.00</del>	<del>\$69.7952</del>
<del>Public Works Manager</del>	<del>\$106,165.00</del>	<del>\$51.0409</del>	<del>\$129,044.00</del>	<del>\$62.0404</del>
<del>Recreation Manager</del>	<del>\$106,165.00</del>	<del>\$51.0409</del>	<del>\$129,044.00</del>	<del>\$62.0404</del>
<del>Human Resources Specialist</del>	<del>\$67,280.00</del>	<del>\$32.3462</del>	<del>\$81,779.00</del>	<del>\$39.3168</del>
<u>MANAGEMENT* @ 07/06/2020</u>	<u>Minimum Annual Salary</u>	<u>Minimum Hourly Rate</u>	<u>Maximum Annual Salary</u>	<u>Maximum Hourly Rate</u>
<u>Assistant City Manager</u>	<u>\$192,893</u>	<u>\$92.7370</u>	<u>\$234,463</u>	<u>\$112.7225</u>
<u>Police Chief</u>	<u>\$192,893</u>	<u>\$92.7370</u>	<u>\$234,463</u>	<u>\$112.7225</u>
<u>Development Services Director/City Engineer</u>	<u>\$183,708</u>	<u>\$88.3212</u>	<u>\$223,298</u>	<u>\$107.3547</u>
<u>Community Development Director</u>	<u>\$167,007</u>	<u>\$80.2918</u>	<u>\$202,999</u>	<u>\$97.5957</u>
<u>Finance Director</u>	<u>\$167,007</u>	<u>\$80.2918</u>	<u>\$202,999</u>	<u>\$97.5957</u>
<u>Fire Chief</u>	<u>\$167,007</u>	<u>\$80.2918</u>	<u>\$202,999</u>	<u>\$97.5957</u>
<u>Public Works Director</u>	<u>\$167,007</u>	<u>\$80.2918</u>	<u>\$202,999</u>	<u>\$97.5957</u>
<u>Fire Battalion Chief</u>	<u>\$144,517</u>	<u>\$69.4793</u>	<u>\$175,661</u>	<u>\$84.4524</u>
<u>Planning Manager</u>	<u>\$144,517</u>	<u>\$69.4793</u>	<u>\$175,661</u>	<u>\$84.4524</u>
<u>Police Lieutenant</u>	<u>\$131,379</u>	<u>\$63.1630</u>	<u>\$159,692</u>	<u>\$76.7750</u>
<u>Wastewater Treatment Plant Manager</u>	<u>\$119,436</u>	<u>\$57.4212</u>	<u>\$145,174</u>	<u>\$69.7952</u>
<u>Public Works Manager</u>	<u>\$106,165</u>	<u>\$51.0409</u>	<u>\$129,044</u>	<u>\$62.0404</u>

<u>Recreation Manager</u>	<u>\$106,165</u>	<u>\$51,0409</u>	<u>\$129,044</u>	<u>\$62,0404</u>
<u>Human Resources Specialist</u>	<u>\$67,280</u>	<u>\$32,3462</u>	<u>\$81,779</u>	<u>\$39,3168</u>