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INTRODUCTION

The employees covered by this compensation plan are in classifications that are unrepresented by a bargaining unit due to the confidential or executive nature of their positions. The term of this compensation plan is July 1, 2025 through June 30, 2028. A list of the classifications included in this plan is attached as Exhibit A. New classifications created that are either executive management, management/confidential, professional/confidential, or administrative/confidential, based on the nature of their job duties, are considered part of this compensation plan and all the terms and conditions covered in this plan will apply.

ARTICLE 1: HOURS OF WORK

1) Hours of work

With the exception of non-exempt employees, all individuals are normally expected to work a minimum of forty hours per workweek as well as any additional hours that may be required to fulfill the responsibilities and work assignments of the position. The City may require employees to record hours actually worked, regardless of FLSA exempt/non-exempt status.

2) Work Schedule

Employees may be assigned to work a 5/40, 9/80 or 4/10 work schedule. Employees may work a different work schedule based upon the needs of the City or request of the employee, including a work schedule other than one of the schedules defined herein, which is subject to mutual agreement between the employee and their Department Head.

Division Chiefs assigned to suppression work a 48/96 operational work schedule consisting of two consecutive 24-hour shifts, followed by 96 hours off. Division Chiefs may also be assigned an administrative schedule of 40 hours per week. If assigned to such a schedule, their hourly base salary rate will be multiplied by 1.4 (annual salary divided by 2080 instead of 2912 hours).

For non-exempt employees assigned to a 9/80 work schedule, the FLSA designated workweek begins four (4) hours after the start time of the employee's alternating regular day off.

3) Partial Day Absences

Exempt employees are normally expected to work a minimum of forty (40) hours per workweek as well as any additional hours that may be required to fulfill the responsibilities and work assignments of their position. Exempt employees must use accrued leave to cover any absence of four (4) hours or more. The intent of the partial day absence rule is to allow for some flexibility for exempt employees, while still recognizing the principle of public accountability. Public accountability means that employees are expected to work their regular work schedule and should not regularly be

absent from work. However, if an employee needs to occasionally be absent for less than four hours on a working day, the employee will not have to use leave, but will be expected to complete their work.

Non-exempt employees must record actual hours worked and use accrued leave for any absence.

4) Overtime:

With the exception of Division Chiefs, who are exempt from overtime under the Fair Labor Standards Act (FLSA), only employees in classifications designated as non-exempt pursuant to the FLSA are eligible to receive overtime. Non-exempt employees who work more than forty hours in a designated workweek are eligible to earn overtime, with General Leave counting as “hours worked” when calculating overtime eligibility. Approval for all overtime must be requested and granted prior to working said overtime, except in emergency situations.

Division Chiefs who cover another employee’s 24-hour suppression shift are eligible for overtime at the employee’s (straight time) hourly base salary rate (excluding holiday-in-lieu pay and uniform allowance) for the hours worked to cover a suppression shift or other operational (field) assignments, as approved by the Fire Chief. Effective the pay period following July 1, 2026, the overtime rate for working 24-hour suppression shifts and operational overtime will increase to 1.25 times the employee’s hourly base salary rate (excluding holiday-in-lieu pay and uniform allowance).

As provided by Section 7(p) of the FLSA, Division Chiefs may also trade shifts with each other without any overtime impact. When this occurs, the employee whose shift is being worked gets credit for the shift although worked by another Division Chief.

Division Chiefs may receive straight time overtime for assigned administrative work, including meetings that occur off-duty if the Fire Chief approves an off-duty employee to be in attendance at an on-site or virtual meeting. There is no overtime for discretionary work performed off-duty or for phone calls, text messages or similar responses.

If the Division Chiefs or Deputy Chief are assigned to work with other entities in response to task force, strike team, or for “assistance by hire” assignments on behalf of a third party, they shall be eligible for overtime compensation at a rate equivalent to time and one-half (1.5) of the employee’s hourly base salary rate for each hour of such assignment.

ARTICLE 2: COMPENSATION

1) Salary

- a) The salary ranges established for classifications covered by this plan are identified in Exhibit B. The salary ranges attached include the following salary increases:

- i) Effective the first day of the pay period following July 1, 2025, employees shall receive a base salary increase of 5.0%.
- ii) Effective the first day of the pay period following July 1, 2026, employees shall receive a base salary increase of 4.5%.
- iii) Effective the first day of the pay period following July 1, 2027, employees shall receive a base salary increase of 4.0%.

All employees shall be paid a salary rate within the designated range for their classification.

b) Salary Differential for Sworn personnel:

The City shall maintain the following minimum differentials between the ranks for sworn fire employees. The differentials are based on the top step/range salary established for each classification, plus the maximum of certification pay, education pay, longevity pay, collateral duty pay, technical specialty pay, and acting pay.

- i) The top of the salary range for the Deputy Chief shall be set at an amount of 10% above the Division Chief classification.
- ii) The top of the salary range for the Division Chief shall be set at an amount of 10% above the top step of the Fire Captain/Paramedic classification, plus the maximum of certification pay, education pay, longevity pay, collateral duty pay, technical specialty pay, and acting pay.

The minimum differentials will be maintained prospectively by adjusting the salary ranges for the Division Chief and Deputy Chief should an increase in base monthly salary or certification pay, education pay, longevity pay, collateral duty pay, technical specialty pay, and acting pay for Fire Captain/Paramedic result in a differential that's less than the minimum established above.

c) Adjustments to the salary range:

The City Manager shall periodically recommend to the City Council adjustments to the salary ranges based upon cost of living, retention considerations, market indicators, and/or internal salary relationships. Adjustments to the salary range (or creation of a new classification) require City Council approval.

d) Salary upon appointment:

Upon appointment to an unrepresented classification, the City Manager or their designee may authorize an initial salary rate at the time of appointment at any place within the salary range based upon experience, knowledge, skills, and/or abilities related to the classification.

e) Movement within the salary range:

In addition to the salary increases approved in section one of this Article, individuals may be eligible for movement within the established salary range based on performance, or to address internal alignment and/or retention considerations. Movement within the salary range based on performance or retention considerations may be recommended by the employee's Department Head, provided there is funding available within the budget. Approval of any salary movement within the range is at the sole discretion of the City Manager. If a recommended salary increase based on performance is delayed due to a delay in completing the employee's evaluation or processing the transaction, the City Manager has the discretion to adjust the salary back to the date the evaluation was due. Salary adjustments within the established salary range based upon performance, internal alignment, or retention considerations will not exceed 10% of the employee's base salary in any fiscal year, unless the City Council provides such authorization to the City Manager.

f) Performance Bonus:

Employees may be granted a bonus of up to 5% of base salary for exemplary performance or completion of an additional role or special project exceeding the general and customary duties of their classification, at the sole discretion of the City Manager, provided there is available funding for the bonus.

g) Temporary Assignment Pay:

Employees assigned by their supervisor to perform the full scope of another position at or below their salary range due to a vacancy or leave of absence will receive the following:

- No additional pay for the first 59 days
- 5% of base salary for performing the work of the other position from day 60 to day 90
- 10% of base salary for performing the work of the other position after 90 days

Employees assigned a portion of the duties of a vacant position or who perform some additional duties of an employee on leave are not eligible for this pay.

2) Acting Pay

Any employee assigned by the City Manager or their Department Head to serve in an acting capacity in a position at or above their salary range for a period of three (3) consecutive working days or more will receive acting pay of 5% their base salary for the duration of the acting assignment. For the purpose of calculating the three (3) consecutive days in order to establish eligibility, holidays, weekends, or regular days off (RDOs) are not included, but consecutive working days (including a half-day worked on a day that is a half-day holiday) before and after a weekend

are included. Once an employee qualifies for acting pay, they will be provided with acting pay for all calendar days for the duration of the acting assignment.

Should the temporary acting assignment be made beyond 30 consecutive calendar days, payment will be made at the bottom of the range of the higher classification (if the bottom of the range provides greater than a 5% increase). Acting pay must be approved by use of a Personnel Action Form. Acting assignments generally shall not exceed twelve (12) months. Any acting assignment extending beyond twelve (12) months requires City Manager approval. If the position for which the employee is acting is vacant and the Public Employees' Retirement Law limits the acting assignment to 960 hours, the City will follow the law and limit the acting assignment to no more than 960 hours.

The Parties agree that to the extent permitted by law, Acting Pay is special compensation as defined by CalPERS regulations and shall be reported as such to CalPERS pursuant to Title 2 CCR, Section 571(a)(3) Temporary Upgrade Pay. Acting Pay is only reportable to CalPERS as special compensation for those who qualify as "classic members" and is not reportable for "new members", as defined by the Public Employees' Pension Reform Act of 2013 (PEPRA).

3) Vehicle Allowance

Employees are eligible for a vehicle allowance per the parameters outlined in the applicable City policy.

- a) Executive management employees (as defined in Exhibit A) are eligible for a vehicle allowance of \$400 per month. The Police Chief and Fire Chief are assigned a take-home vehicle in lieu of the vehicle allowance.
- b) Other employees designated by the City Manager to receive an auto allowance in accordance with the City policy are eligible for a vehicle allowance of \$200.

4) Notary Pay

Employees in the classification of Deputy City Clerk and Assistant City Clerk who maintain their notary public certification and perform notary services in support of organizational needs are eligible for Notary Pay of \$100 per month.

To the extent permitted by law, notary pay is special compensation as defined by CalPERS regulations and shall be reported as such to CalPERS pursuant to Title 2 CCR, Section 571(a)(2) and Section 571.1(b)(2) Notary Pay.

5) Uniform Allowance for Public Safety Chiefs (Police and Fire Chiefs, Deputy Chief, Division Chiefs)

The Police Chief will have uniforms provided by the City and receive a uniform allowance of \$700 per year, paid on a biweekly basis (\$26.92/biweekly). The Fire Chief, Deputy Chief and Division

Chiefs will have uniforms provided by the City and receive a uniform allowance of \$600 per year, paid on a biweekly basis (\$23.08/biweekly).

For “classic” CalPERS members, to the extent permitted by law, the uniform allowance will be reported as special compensation pursuant to Title 2 CCR, Section 571(a)(5) – Uniform Allowance. For “New Members” as defined by the Public Employees’ Pension Reform Act of 2013, uniform allowance is not reportable to CalPERS as special compensation.

ARTICLE 3: LEAVES OF ABSENCE

1) General Leave

a) Leave Accrual and Maximum Accrual:

General Leave is provided to employees as paid time off from work. The City Manager may authorize an initial bank of General Leave hours for executive management employees (as defined in Exhibit A) at the time of hire.

Employees begin to accrue General Leave on the first day of employment, based upon their total years of public service. All years of full-time service with any public sector agency (including Cities, Counties, school districts, special districts or other agencies approved by the Human Resources Director) will be counted towards years of service for the purpose of calculating the employee’s General Leave accrual. Employees may accumulate up to three years of General Leave accrual. If an employee reaches the General Leave accrual maximum, that employee will not accumulate further leave until such time that the employee’s accrual falls below the maximum amount. Under special circumstances, the City Manager may authorize an employee to accrue over the maximum accrual cap for a limited duration of time (generally not to exceed 6 months). Should an employee have paid hours less than their full-time hours in any pay period, they will accrue a pro-rated amount of General Leave based on their number of paid hours.

Accrual rates and maximum accrual levels for employees working a typical work week (40 hours base) are as follows:

Years of Public Service	Annual Accrual	Biweekly Accrual	Maximum Accrual
0 – 5 full years	200 hours	7.69 hours	600 hours
> 5 years to 10 full years	240 hours	9.23 hours	720 hours
> 10 full years	280 hours	10.77 hours	840 hours

Accrual rates and maximum accrual levels for Division Chiefs working a 48/96 suppression schedule are as follows:

Years of Public Service	Annual Accrual	Biweekly Accrual	Maximum Accrual
0 – 5 full years	312 hours	12 hours	936 hours
> 5 years to 10 full years	360 hours	13.85 hours	1,080 hours
> 10 full years	416 hours	16 hours	1,248 hours

If a Division Chief is working an administrative schedule of 40 hours per week, their General Leave accruals and maximum accrual will be divided by 1.4.

b) General Leave Use:

Employees are encouraged to use General Leave to have time for personal obligations, leisure and family time, and disconnection from work, so that they can remain focused and return to work mentally refreshed. General Leave may be used as earned for vacation, personal time off or for any reason that would qualify for sick leave pursuant to City policy and consistent with applicable law.

Employees wishing to use General Leave for vacation, personal reasons, and sick leave where advance notice is possible (e.g., prescheduled doctor's appointments or procedures) should request such leave as far in advance as they are able, but usually at least one week in advance of the requested period. Leaves will be scheduled, insofar as possible and practical, at those times requested by each employee. Approval of General Leave requests is at the sole discretion of the employee's supervisor and Department Head.

Employees wishing to use General Leave for sick leave purposes in cases where such advanced notice is not possible or practical (e.g., "calling in sick" for themselves or a family member) should inform their supervisor as soon as they are aware such leave is needed. Requests for sick leave will be reviewed and granted consistent with applicable law.

c) General Leave Cash Out:

On or before December 31 of each calendar year, an employee may make an irrevocable election to cash out up to 120 hours of accrued General Leave (168 hours for Division Chiefs working a 48/96 schedule), which will be earned in the following calendar year. On the paycheck that corresponds with the pay period which includes December 1 in the following year, the employee will be paid out at the employee's current base rate of pay for the hours the employee irrevocably elected in the prior year, subject to regular payroll taxes. Elections will be made in methods provided by the Human Resources Department, and cannot be modified

once elected. The employee's General Leave balance cannot be reduced below 80 hours (112 hours for Division Chiefs working a 48/96 schedule) as a result of cashing out leave. Thus, if the employee's leave balance would fall below 80 hours (112 hours for Division Chiefs) as a result of cashing out leave, the employee will receive cash for their election only for the hours above 80 (120 for Division Chiefs).

Accrued and unused General Leave is paid at the base hourly rate of pay with the final paycheck upon separation from City service. For executive management employees, half of the General Leave balances shall be contributed to their City 401(a) deferred compensation plan (outlined in Article 4 Section 8) at the time of separation.

d) Conversion of Vacation and Sick Leave:

City employees who have been promoted or reclassified to a position covered under this plan that accrues General Leave from a position that accrues vacation and sick leave will have their vacation leave converted to General Leave at the time of promotion or reclassification.

Sick leave hours for non-sworn employees will be frozen at the time of promotion or reclassification, and may only be used in the following circumstances:

- i) For any illness or non-work-related injury that causes an employee to be out for ten (10) consecutive working days or more. An employee may convert used General Leave to sick leave retroactively for absences that eventually meet that criteria.
- ii) For any of the following reasons, provided an employee is approved for family and medical leave (FMLA, PDL and/or CFRA) and has exhausted their General Leave:
 - (1) An employee's own illness or injury;
 - (2) To bond with a minor child within the first year of the child's birth or placement in connection with foster care or adoption; or
 - (3) To care for a family member (as defined in the bereavement leave section) who has a serious health condition.

Sworn employees who promote into the classification of Division Chief from Fire Captain(/Paramedic) will not have frozen sick leave hours and will instead receive a one-time mandatory transfer of 50% of the value of accrued sick leave to the Medical Expense Reimbursement Plan (outlined in Article 4 Section 10) at the time of promotion. The value of the accrued sick leave will be based upon their Fire Captain(/Paramedic) base salary rate immediately prior to promotion.

Employees who retire from the City with frozen sick leave hours will have their sick leave converted to service credit in accordance with the City's contract with CalPERS.

2) Holidays

Designated Holidays:

The following days shall be recognized and observed as paid holidays:

New Year's Day (January 1)
Martin Luther King, Jr Day (third Monday in January)
President's Day (third Monday in February)
Memorial Day (last Monday in May)
Juneteenth (June 19)
Independence Day (July 4)
Labor Day (first Monday in September)
Columbus/Indigenous Peoples' Day (second Monday in October)
Veterans Day (November 11)
Thanksgiving Day (fourth Thursday of November)
Friday following Thanksgiving Day
Christmas Eve (half-day holiday)
Christmas Day (December 25)
New Year's Eve (half-day holiday)

2) Observance of Holidays:

With the exception of the Division Chiefs and Deputy Chief who receive holiday-in-lieu pay, employees observe holidays as they occur and will receive paid holiday leave for each holiday designated above that falls on the employee's regular work day based on the number of hours the employee is scheduled to work on the holiday. If a designated holiday falls on a Sunday, the following Monday shall be observed as the holiday. If the designated holiday falls on a Saturday, the preceding Friday shall be observed as the holiday. Employees must be in paid status the working day immediately before and immediately after the day the holiday is observed to be eligible to receive the paid holiday.

3) Holiday Leave Bank

If a holiday falls on an employee's regularly scheduled day off, they will accrue one day of holiday leave in a holiday bank (8 hours for an employee working a 5/40 schedule, 9 hours for an employee working a 9/80 schedule, and 10 hours for an employee working a 4/10 schedule). Employees with hours in the holiday leave bank may request and use the leave in the same manner as the use of General Leave, except that no holiday leave hours may be received as cash. The maximum number of hours in the holiday leave bank is capped at forty (40) hours. Should an employee be at the maximum, the employee shall not accrue additional holiday leave until the use of holiday leave hours reduces the leave bank below the maximum.

4) Observance of Christmas Eve and New Year's Eve (half-day holiday):

Employees who observe regular holidays (not inclusive of Division Chiefs and the Deputy Chief) will receive half of their normal work hours as paid holiday leave for Christmas Eve and New Year's Eve.

Employees who are scheduled to work on Christmas Eve and/or New Year's Eve will be required to work onsite (and may not telework), for half of their normal work hours or until their assigned facility closes, whichever comes first.

While employees may not flex time to work less than a half of their regular work hours, Department Heads may allow employees to "flex" time so that employees are not required to work greater than their normal work shift (For example, if an employee normally has a 9-hour work day starting at 6 a.m. and works at a facility that's open until noon, their supervisor may allow them to "flex" their schedule to start at 7:30 a.m. so that they will not work more than half of their shift). Alternatively, the Department Head has the discretion to allow the employee(s) to leave after working half of their regularly scheduled work hours, prior to the facility closing, if it works for the department's operations and allows adequate coverage. There may be instances where an employee is permitted to leave at the time the facility closes, even if they have not worked half of their normal work hours, subject to the Department Head's discretion.

Employees who are not working on either day will be required to utilize accrued General Leave for half of their normal work hours and will receive paid holiday leave for the other half of their normal work hours.

5) Birthday Holiday:

Beginning January 1, 2024, each employee will receive one day (equivalent hours to the employee's normal work shift, for example 9 hours for employees working a 9/80 and 10 hours for employees working a 4/10) as a "birthday holiday". The employee may utilize their birthday holiday 1) on any day in their birthday month or 2) on any day within the pay period of, immediately before, or immediately after their birthday. The birthday holiday should be requested in the same manner that General Leave is requested and is subject to supervisor approval. The birthday holiday is non-cashable and cannot be carried forward if it is not used in the specific time period. Division Chiefs and the Deputy Chief will not receive additional time off for the birthday holiday and instead receive holiday in lieu pay, as indicated below.

5) Holiday Pay (Division Chiefs and Deputy Chief)

Division Chiefs work suppression schedule shifts (48/96) without regard to holidays. The Deputy Chief works a 40-hour per week schedule, and is required to work on all holidays that fall on their regular workdays. If the Deputy Chief wants to take off a holiday, they are required to use accrued General Leave. Accordingly, Division Chiefs and the Deputy Chief shall receive paid holiday time as holiday pay in lieu of holiday time off, paid at their base hourly rate.

Effective with the pay period beginning after July 1, 2025, the Division Chiefs and Deputy Chief will receive holiday-in-lieu pay at a rate of 6.25 hours per pay period, in recognition of 12.5 hours of holiday-in-lieu pay in recognition of each of the following 13 holidays:

New Year's Day (January 1)

Martin Luther King, Jr Day (third Monday in January)

President's Day (third Monday in February)

Memorial Day (last Monday in May)

Juneteenth (June 19)

Independence Day (July 4)

Labor Day (first Monday in September)

Columbus/Indigenous Peoples' Day (second Monday in October)

Veterans Day (November 11)

Thanksgiving Day (fourth Thursday of November)

Friday following Thanksgiving Day

Christmas Day (December 25)

Employee Birthday Holiday

The parties agree that, to the extent permitted by law, the value of the holiday pay provided in this article is special compensation as defined by CalPERS regulations and shall be reported as such to CalPERS pursuant to Title 2 CCR, Section 571(a)(5) Holiday Pay.

6) Additional Leave Programs

a) Bereavement Leave:

Employees may use up to forty (40) hours of paid bereavement leave (48 hours for Division Chiefs) per calendar year for grieving, receiving counseling, making arrangements or carrying out last wishes as a result of the death of a member of the employee's immediate family. For bereavement leave purposes, immediate family members include spouse, registered domestic partner, parent, brother, sister, child, mother-in-law, father-in-law, sister-in-law, brother-in-law, foster child, foster parent, grandparent, and grandchild. Bereavement leave will not be charged to the employee's accrued leave balances. If an employee experiences the death of more than one immediate family member, the employee may request an exception to use an additional 40 hours of bereavement leave, subject to verification and approval of the Human Resources Department. An employee may request to use their own paid and accrued leave time for additional bereavement leave beyond 40 hours. If an employee's work schedule is such that 40 hours of leave does not include a minimum of 5 working days (e.g. an employee working a 4/10 schedule), they are entitled to use their paid leave time (General Leave) for additional bereavement leave up to 5 working days (not subject to supervisor discretion).

b) Jury Duty:

Employees who are summoned for jury duty will be compensated with paid jury duty service for up to 80 hours, in accordance with City Policy. Employees must submit proof of jury duty service upon completion of the service. Employees are expected to communicate with their supervisor at the time they are notified about jury service and daily when they are notified of the need to report for jury service the next day. Employees are required to return to work if dismissed by the Court from jury duty unless they have made other arrangements with their supervisor.

c) Parental Leave:

In the first four (4) weeks following the birth of a child or in connection with the adoption or foster care placement of a child, an employee shall receive up to eighty (80) hours of paid parental leave (96 hours for Division Chiefs working a 48/96 schedule). This leave runs concurrently with leave provided per the CFRA/FMLA and must be taken consecutively

This leave shall become effective on July 1, 2025 and can only be used for qualifying leave time taken after July 1, 2025.

d) Catastrophic Leave:

Employees may donate accrued and unused General Leave to other City employees who have exhausted all accrued leave, who have been granted an unpaid leave of absence, and who need to continue to be absent from work due to a catastrophic injury or illness. The value of the General Leave is converted from the donor's hourly rate of pay to the number of hours at the recipient's hourly rate of pay. Employees electing to donate General Leave must complete the Catastrophic Leave Donation form provided by Human Resources.

e) Leave of Absence Without Pay:

The City Manager may grant a leave of absence without pay for up to one (1) year at their sole discretion. The denial of a request for an unpaid leave of absence is not subject to any appeal process.

The unpaid leave of absence in this section is for a requested leave of absence that is not covered under any law or other City policy. For example, if an employee exhausts their paid leave during a period of protected family or medical care leave, they are not required to also request unpaid leave under this provision. An employee must exhaust all accrued leave prior to being eligible for an approved leave of absence without pay. An employee, who fails to return to work from a leave of absence without pay, may be subject to separation from employment.

f) Military Leave:

Military leave is provided pursuant to the provisions of the State of California and federal law.

g) Workers' Compensation Leave/Salary Continuation:

Non-safety employees who are absent from work on an accepted workers' compensation claim, may be paid their base rate of pay for seven (7) workdays. For leave that exceeds seven (7) workdays, employees are eligible for benefits as provided by law. Employees may coordinate benefit payment with the use of accrued leave to maintain salary earnings at the same level as achieved while working. Leave due to a work-related injury or illness is run concurrently with FMLA/CFRA leave for non-safety employees.

Safety employees are eligible for leave benefits pursuant to Labor Code 4850.

ARTICLE 4: BENEFITS

1) **Medical Insurance**

a) City Contribution to Medical Insurance:

The City is enrolled in CalPERS Medical in accordance with the Public Employees' Medical and Hospital Care Act (PEMHCA). Employees enrolled in a CalPERS medical plan will receive a City contribution to medical insurance of 95% of the premium for the plan selected based upon level of coverage (employee only, two-party, or family), up to a maximum of 95% of the PERS Platinum premium.

If the plan chosen is less costly than the rates of the PERS Platinum plan, the City will pay 95% of the premium for the plan chosen with the employee paying for the remainder of the plan chosen (5%). If an employee chooses a plan that is more costly than 95% of the PERS Platinum premium rate, the employee will pay the difference between the actual premium and cost 95% of the PERS Platinum premium rate for the selected coverage level.

No cash back will be provided to employees if an employee selects a plan less expensive than the City's maximum contribution.

The City's health insurance contribution will be inclusive of (not in addition to) the PERS statutory minimum per Government Code section 22892.

b) **Opt-Out of Medical Insurance**

Employees, who are able to demonstrate to the City's satisfaction that they have minimum essential coverage as defined by the Affordable Care Act, may opt out of participation in the City's health plan. Pursuant to the Affordable Care Act (ACA) Employer Mandate "affordability" determination, an Eligible Opt-Out Arrangement requires the following for employees who opt-out of employer-provided health coverage and receive cash in lieu:

1. Employee must provide reasonable evidence that the employee and each member of the employee's expected tax family (individuals the employee expects to claim personal exemption deduction) have or will have minimum essential coverage (other than coverage in the individual market, whether or not obtained through Covered California) during the period of coverage to which the opt-out arrangement applies;
2. The opt-out payment may not be made if the employer knows or has reason to know that the employee or any other member of the employee's expected tax family does not have or will not have the alternative coverage;
3. The evidence of alternative coverage must be provided every plan year to which the eligible opt-out arrangement applies; and
4. The reasonable evidence must be provided no earlier than a reasonable period of time before the plan year begins.

Employees opting out of health insurance completely who would have otherwise been eligible for either single or two-party medical coverage will receive \$2,700 per year (\$103.85 per pay period), paid biweekly as part of payroll. Employees opting out of health insurance who would have otherwise been eligible for family medical coverage (employee plus 2 or more qualified dependents) will receive an opt-out incentive of \$5,400 per year (\$207.69 per pay period), paid biweekly as part of payroll. This opt-out amount is taxable income and will not be considered compensation earnable (meaning it does not qualify as "special compensation" under the CalPERS regulations).

2) Dental

Employees (and eligible dependents) may elect to enroll in a dental plan offered by the City. The City will contribute \$70.00 per month toward the dental plan premium or in lieu of enrollment in a dental plan, the City will provide \$70.00 per month as taxable wages to the employee. The selection of dental plan provider and coverage is at the City's sole discretion.

3) Vision

The City will enroll employees and eligible dependents in a vision plan. The vision plan premium is paid by the City. The selection of vision plan provider and level of coverage is at the City's sole discretion.

4) Life Insurance

The City will provide coverage and pay the current premium for life insurance for each employee in accordance with the plan and carrier chosen by the City. The current life insurance plan benefit for an employee is 1.5 times the employee's annual base salary, up to a maximum of \$500,000. Employees may elect additional voluntary life insurance at their own cost, as offered by the City.

5) Short Term Disability

The City offers a short-term disability plan. Participation in the plan is voluntary and premiums are paid by the employee.

6) Long Term Disability

The City provides a long-term disability plan for employees. The premium for the long-term disability is paid by the City. The selection of the plan provider and level of coverage is at the City's sole discretion.

7) Section 125 Flexible Spending Accounts

The City offers medical and/or dependent care flexible spending accounts. Participation in one or both plans is voluntary and funded by the employee.

8) Deferred Compensation Plan

Employees may participate in a 457 deferred compensation program by electing to contribute pre-tax earnings to the plan, subject to annual plan limits.

The City will contribute 2.5% of base salary into a 401(a) plan on behalf of sworn management employees (Deputy Chief and Division Chiefs). Effective the first day of the pay period following July 1, 2025, the City contribution on behalf of sworn management employees shall increase to 3.0% of base salary.

The City will contribute 2.5% of base salary into a 401(a) plan on behalf of sworn executive management employees (Police Chief and Fire Chief). Effective the first day of the pay period following July 1, 2025, this amount shall increase to 3.0%. Effective the first day of the pay period following City Council approval of this plan, the City contribution on behalf of the Police Chief and Fire Chief shall increase to 5.0% of base salary.

The City will contribute 4.5% of base pay into a 401(a) plan on behalf of non-sworn non-executive management employees. Effective the first day of the pay period following July 1, 2025, the City contribution to the 401(a) for non-sworn non-executive management employees shall increase to 5.0% of base salary.

The City will contribute 4.5% of base salary into a 401(a) plan on behalf of non-sworn executive management employees (as listed in Exhibit A, with the exception of the Police Chief and Fire Chief). Effective the first day of the pay period following July 1, 2025, this amount shall increase to 5.0% of base salary. Effective the first day of the pay period following City Council approval of this plan, the City contribution to the 401(a) for non-sworn executive management employees shall increase to 7.0%.

9) Retiree Medical Benefits

Employees who retire from the City of Manhattan Beach and maintain enrollment in CalPERS medical as a retiree, are eligible to receive the PEMHCA statutory minimum contribution toward medical plan premiums paid by the City.

- a) Executive management employees (as defined in Exhibit A), who retire from the City of Manhattan Beach with at least five years of full-time service to the City of Manhattan Beach and who maintain enrollment in CalPERS medical as a retiree, will receive an additional \$400 per month (above the PEMHCA minimum) until such time as any one of the follow occur:
 - 1. The retiree reaches age 65 (following the attainment of age 65, only the PEMHCA minimum applies); or
 - 2. The retiree becomes eligible for Medicare (following eligibility for Medicare, only the PEMHCA minimum applies); or
 - 3. The retiree passes away.

Once any of the preceding occurs, the City will no longer provide the \$400 retiree medical benefit.

- b) A Division Chief or Deputy Chief who retires from the City of Manhattan Beach with a service retirement and at least twenty (20) years of full-time service to the City of Manhattan Beach, and who maintains enrollment in CalPERS medical as a retiree, will receive an additional contribution of \$400.00 per month (above the PEMHCA minimum) until such time as any one of the following occur:
 - i) The retiree reaches 65 years of age;
 - ii) The retiree becomes eligible for Medicare; or
 - iii) The retiree passes away.

Once any of the preceding occurs, the City will no longer provide the \$400 retiree medical benefit.

- c) Other (non-executive management and non-safety) employees who retire from the City of Manhattan Beach with at least fifteen (15) years of full-time service to the City of Manhattan Beach and who maintain enrollment in CalPERS medical as a retiree, will receive an additional \$250 per month (above the PEMHCA minimum) until such time as any one of the follow occur:
 - 1. The retiree reaches age 65 (following the attainment of age 65, only the PEMHCA minimum applies); or
 - 2. The retiree becomes eligible for Medicare (following eligibility for Medicare, only the PEMHCA minimum applies); or
 - 3. The retiree passes away.

Once any of the preceding occurs, the City will no longer provide the \$250 retiree medical benefit.

10) Medical Expense Reimbursement Plan (Fire Chief, Deputy Chief and Division Chiefs)

The Fire Chief, Deputy Chief, and Division Chiefs shall participate in the International Association of Firefighters (IAFF) Medical Expense Reimbursement Plan (Plan), which provides reimbursement for medical expenses for retired employees who meet the eligibility rules of the Plan, provided they meet basic participation requirements (e.g., establishing IAFF membership). Effective the pay period beginning August 23, 2025, the City shall implement a mandatory monthly or per pay period payroll deduction to be deposited pre-tax with the Washington State Council of Fire Fighters Benefit Trust ("the Trust"). The time, manner, and amount of the contribution will be determined under the Manhattan Beach Firefighters Association Memorandum of Understanding or side letter in effect at the time.

Effective in the month of July 2026, the City will make a one-time mandatory transfer of 50% of the value of accrued frozen sick leave to the Trust for any Division Chiefs who have frozen sick leave balances. The value of the accrued frozen sick leave will be based upon their Fire Captain(/Paramedic) rate (immediately prior to promotion). Following this transfer, these employees will no longer maintain frozen sick leave balances.

For future employees who promote into the classification of Division Chief from Fire Captain(/Paramedic), all of the employee's accrued sick leave hours (100% of leave hours) will be transferred to the Trust at the rate of one half (50%) of their value based on their then-Fire Captain(/Paramedic) base hourly salary rate, based upon their job classification.

11) Retiree Health Savings Plan

The City will contribute 2% of base salary for executive management employees (as defined in Exhibit A) to a Retiree Health Savings (RHS) plan. This 2% contribution will cease effective the pay period following City Council approval of this compensation plan, and the existing RHS plan will become frozen for future contributions, but available for the withdrawal of funds in accordance with plan rules.

Effective the first day of the pay period following July 1, 2025, the City will begin contributing \$75 per month (\$34.62 per pay period) to a new Retiree Health Savings (RHS) plan for all employees covered by this compensation plan.

12) CalPERS Retirement

The City contracts with the California Public Employees' Retirement System for retirement benefits.

a) "Classic" CalPERS Members:

Employees who are "classic" members under the CalPERS retirement program receive the following retirement benefits:

1. Miscellaneous members receive the 2% @ 55 retirement formula and one-year final compensation (Government Code section 20042). Employees contribute the 7% member contribution on a pre-tax basis toward the retirement benefit.
2. Sworn Police members receive the 3% @ 50 retirement formula (Government Code 21362.2) and one-year final compensation (Government Code section 20042). Employees contribute the 9% member contribution on a pre-tax basis toward the retirement benefit. Employees also pay an additional three percent (3%) retirement contribution as cost sharing pursuant to Government Code section 20516. In accordance with IRS Code section 414(h)(2), the cost sharing is treated as a pre-tax deduction.
3. Sworn Fire members receive the 3% @ 55 retirement formula (Government Code 21363.1) and one-year final compensation (Government Code section 20042). Employees contribute the 9% member contribution on a pre-tax basis toward the retirement benefit. Employees also pay an additional three percent (3%) retirement contribution as cost sharing pursuant to Government Code section 20516(a). In accordance with IRS Code section 414(h)(2), the cost sharing is treated as a pre-tax deduction.

b) "New Members" under the Public Employee Pension Reform Act (PEPRA):

Employees who are "new members under the CalPERS retirement program receive the following benefits:

1. Miscellaneous members receive the 2% @ 62 retirement formula and a three-year final compensation period (Government Code section 7522.32(a)). Employees contribute the higher of 7% or one-half the normal cost as identified annually by CalPERS.
2. Safety members receive the 2.7% @ 57 retirement formula (Government Code section 7522.25(d)) and a three-year final compensation period (Government Code section 7522.32(a)). Employees contribute the higher of 12% or one-half the normal cost as identified annually by CalPERS.
3. The City contracts for all retirement benefits with CalPERS and additional benefits are identified within the contract.

13) **Tuition Reimbursement Program**

Employees shall be eligible to participate in the City's tuition reimbursement program as outlined in the applicable City policy. The current maximum annual reimbursement amount for tuition and books is \$3,000.

14) Additional Programs and Benefits available to unrepresented employees

Employees in the unrepresented bargaining unit are eligible for Citywide benefits governed by City Policy and available to employees in represented units, including but not limited to: Rideshare Incentive, Service Awards, EV Charging, health and wellness benefits, etc.

ARTICLE 5: PROBATIONARY PERIOD AND DISCIPLINARY APPEAL PROCESS (PUBLIC SAFETY)

1) Employment status

“At-will” employees are employees who have no property interest to continued employment and are not entitled to a disciplinary appeal procedure. With the exception of the classifications of Division Chief and Deputy Chief, employees in all classifications covered by this compensation plan are considered to be “at-will”.

If an employee becomes “at-will” by way of promotion or reclassification to an unrepresented position covered by this compensation plan, they will be required to waive their property interest in the prior position(s) held as a condition of accepting the position at the time of promotion or reclassification.

2) Probationary Period (Division Chiefs and Deputy Chief)

All employees hired or promoted into the Division Chief or Deputy Chief position shall serve a 12-month probationary period. At their discretion, the Fire Chief may extend the probationary period of any employee for an additional 6 months for a total probationary period of 18 months. The purpose of the probationary period is to ensure that the employee has demonstrated the competencies and ability to function effectively in the classification they are promoted into. Any employee rejected during the probationary period following a promotional appointment will be reinstated to the classification from which they were promoted, unless they are discharged as a result of a disciplinary (“punitive”) action as defined under this article.

3) Discipline and Appeals (Division Chiefs and Deputy Chief)

a) Disciplinary Actions Definitions:

1. Oral or Written Warning: An oral or written warning is an informal notice to an employee that they have demonstrated performance deficiencies or engaged in minor misconduct, and is utilized to put the employee on notice of expected behavior moving forward. Written warnings will be kept in the Chief’s supervisory file, rather than the official personnel file, and a copy will be given to the employee. At the Chief’s discretion, a summary of the behavior leading up to the warning may be incorporated into the employee’s performance evaluation during their next evaluation. Once the performance evaluation is completed for the year and the Chief determines if the warning should be incorporated into the

employee's performance evaluation, all warnings referenced in the Chief's supervisory file shall be discarded.

2. Letter of Reprimand: A Letter of Reprimand is considered the lowest level of formal discipline. A Letter of Reprimand may be used for minor offenses warranting disciplinary action and/or to provide formal notice to an employee that the City will take further disciplinary action unless immediate, real, and consistent improvement in performance is demonstrated.
3. Suspension: Suspension is the temporary removal of an employee from their duties without pay. The duration of the suspension should be commensurate with the offense and may not exceed thirty (30) days.
4. Reduction in Pay: A Reduction in Pay is a reduction in compensation for a limited and defined period of time. An example of this is a reduction in the employee's step placement for a defined period of time, which does not result in any classification change. The employee remains in their classification and continues to perform their regular and customary duties for the duration of the Reduction in Pay.
5. Demotion: Demotion is the movement of an employee from their current classification to a classification having a lower salary range. The employee must meet the minimum qualifications of the position to which they are demoting.
6. Discharge: Discharge is the involuntary termination of an employee from City employment.

b) Disciplinary Appeals

Under the Government Code and case law, Division Chiefs and Deputy Chief are entitled to a disciplinary appeal procedure for any employment action that is considered to be a "punitive action", which is defined under Government Code 3251(c) as any action that may lead to dismissal, demotion, suspension, reduction in salary, written reprimand, or transfer for punitive purposes.

1. Pre-Disciplinary Procedure:

If an employee is to be suspended, receive a reduction in pay, be demoted or discharged, the employee shall receive written notice of the proposed disciplinary action at least seven days in advance of the imposition of discipline, stating the specific grounds and the particular facts upon which the action is based. The notice will include copies of any known materials, reports or other documents upon which the intended action is based. Electronic copies will be provided upon request.

Within seven (7) calendar days after the employee has been provided with the notice of proposed disciplinary action, the employee shall notify the Fire Chief of their intention to

respond in writing or orally to the proposed disciplinary action. The employee's response will be reviewed or heard by Fire Chief or their designee, acting as the "Skelly Officer", who has the authority to modify or eliminate the intended disciplinary action. If the employee elects to respond in writing, the employee must respond within seven (7) calendar days after their election to provide a written response. If the employee requests a meeting, it will be scheduled within a reasonable timeframe. Following the written response or in-person meeting, the Skelly Officer (if a person other than the Fire Chief) will issue their written decision to the Fire Chief.

Following the pre-disciplinary procedure, the Fire Chief will provide the employee with a final notice of discipline within thirty (30) calendar days. The final notice of discipline will outline the employee's appeal rights. The discipline ("punitive action") shall not be effective sooner than forty-eight (48) hours of issuance of the final notice of discipline.

2. Informal Appeal Procedure:

The Informal Hearing Procedure may be used in the City's sole discretion for disciplinary action imposed on an employee that does not involve termination from employment, demotion, suspension without pay for more than two (2) shifts for employees working a 56-hour suppression schedule or three (3) working days for employees working a 40-hour administrative schedule, or where the practical financial effect of the discipline equates to a two shift suspension or less for employees working a 56-hour suppression schedule or three (3) working days or less for employees working a 40-hour administrative schedule.

- i) Employee Request for an Appeal to the Fire Chief: Within seven (7) calendar days of receipt by an employee of notification of a punitive action, the employee shall notify the Fire Chief in writing that they intend to appeal the punitive action. The employee may either submit an appeal in writing or request a hearing. The notice of appeal shall specify the action being appealed and the substantive and procedural grounds for the appeal.
- ii) Hearing Officer: The Fire Chief or their designee shall act as the hearing officer. If the Fire Chief cannot serve as the hearing officer because of actual bias, prejudice or interest as defined by Government Code §11425.40, then the City Manager or their designee shall serve as the hearing officer. The hearing shall take place within thirty (30) calendar days of the date the employee requested the appeal or such other time as may be agreeable by the parties.
- iii) Conduct of Hearing:
 - a. The Fire Chief shall have the burden of proving by a preponderance of the evidence the facts which form the basis for the charge(s) and that punitive action was reasonable under the circumstances.

- b. The formal rules of evidence do not apply, although the Hearing Officer shall have discretion to exclude evidence which is incompetent, not relevant or cumulative, or the presentation of which will otherwise consume undue time. The rules of privilege shall be observed.
 - c. The parties may present arguments through documents and statements.
 - d. The parties will not be entitled to confront and cross-examine witnesses, unless by mutual agreement.
 - e. Following the presentation of written material and statements, the involved parties may submit closing arguments orally or in writing for consideration by the hearing officer.
 - f. The employee may be represented by an association representative or attorney of their choice.
- iv) Decision: After the hearing, a decision will be submitted in writing within forty-five (45) calendar days. The decision shall be served by first class mail, postage pre-paid, upon the employee as well as their attorney or representative, shall be accompanied by an affidavit or certificate of mailing, and shall advise the employee that the time within which judicial review of the decision may be sought is governed by Code of Civil Procedure § 1094.5.

3. Formal Appeal Procedure:

The following appeals procedures are adopted by the parties pursuant to Government Code § 3254.5 of the Firefighters Procedural Bill of Rights Act. The formal appeals procedure is for punitive action causing a loss of pay not covered by the Informal Appeal Procedure described in "2" above.

- i) Final Notice of Discipline and Employee Right to Appeal: Following any pre-disciplinary procedure, the final notice of discipline issued to the employee shall serve as the "Notice of Discipline as Accusation" as described in Government Code §§ 11500, *et seq.*

The notice shall be prepared and served in conformity with the requirements of Government Code §§ 11500, *et seq.* A copy of Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the California Government Code shall be provided to the employee concurrently with the notice of discipline.

An employee being served with a Notice of Discipline may request to appeal the disciplinary action within fifteen (15) calendar days in accordance with the procedural requirements laid out in the disciplinary notice.

- ii) Hearing Officer: Pursuant to Government Code § 11512, the appeal will be heard by an administrative law judge assigned from the Office of Administrative Hearings (OAH).
- iii) Conduct of Hearing: The hearing shall be conducted in accordance with Chapter 5 (commencing with § 11500) of Part 1 of Division 3 of Title 2 of the California Government Code.

The burden of proof and production of evidence shall be borne by the City. The standard of proof shall be by a preponderance of the evidence.

- iv) Proposed decision and disposition: The proposed decision of the administrative law judge shall be in writing. Copies of the proposed decision shall be delivered to the parties by registered mail and accompanied by a proof of service.

Following receipt of the proposed decision, the City Manager may take any of the actions set forth in Government Code § 11517(c)(2) A through E.

Exhibit A – List of Unrepresented Classifications

1) Executive Management

- City Clerk
- Community Development Director
- Deputy City Manager
- Finance Director
- Fire Chief
- Human Resources Director
- Information Technology Director
- Parks and Recreation Director
- Police Chief
- Public Works Director

2) Sworn Management

- Deputy Chief (Fire)
- Division Chief (Fire)

3) Management, Professional, and Administrative (Confidential)

- Communications and Civic Engagement Manager
- Financial Controller
- Financial Services Manager
- Human Resources Manager
- Risk Manager

- Assistant to the City Manager
- Assistant City Clerk
- Digital Communications and Graphics Coordinator
- Executive Assistant to the City Manager
- Human Resources Analyst
- Management Analyst (*confidential*)
- Marketing and Communications Coordinator
- Policy and Management Analyst
- Senior Human Resources Analyst
- Senior Management Analyst (*confidential*)

- Deputy City Clerk
- Human Resources Assistant
- Human Resources Executive Assistant
- Human Resources Technician

Exhibit B – Salary Schedule

The following is a list of the monthly salary ranges for all full-time unrepresented classifications covered by this compensation plan.

<u>Classification</u>	<u>Effective 07/12/2025</u>		<u>Effective 07/11/2026</u>		<u>Effective 07/10/2027</u>	
	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>
Assistant City Clerk	9,978	13,090	10,427	13,679	10,844	14,226
Assistant to the City Manager	9,978	13,090	10,427	13,679	10,844	14,226
City Clerk	15,817	20,613	16,529	21,541	17,190	22,403
Communications and Civic Engagement Manager	12,195	16,001	12,744	16,721	13,254	17,390
Community Development Director	15,817	20,613	16,529	21,541	17,190	22,403
Deputy City Clerk	6,216	8,198	6,496	8,567	6,756	8,910
Deputy City Manager (<i>effective 09/20/2025</i>)	15,817	20,613	16,529	21,541	17,190	22,403
Digital Communications and Graphics Coordinator	7,459	9,786	7,795	10,226	8,107	10,635
Executive Assistant to the City Manager/City Council	6,873	9,017	7,182	9,423	7,469	9,800
Finance Director	15,817	20,613	16,529	21,541	17,190	22,403
Financial Controller	12,195	16,001	12,744	16,721	13,254	17,390
Financial Services Manager	10,976	14,401	11,470	15,049	11,929	15,651
Fire Chief	21,683	28,088	22,659	29,352	23,565	30,526
Fire Deputy Chief	18,148	23,609	18,965	24,671	19,724	25,658
Fire Division Chief	16,499	21,463	17,241	22,429	17,931	23,326
Human Resources Analyst	8,130	10,667	8,496	11,147	8,836	11,593
Human Resources Assistant	5,800	7,406	6,061	7,739	6,303	8,049
Human Resources Director	15,817	20,613	16,529	21,541	17,190	22,403
Human Resources Executive Assistant	6,216	8,198	6,496	8,567	6,756	8,910
Human Resources Manager	12,195	16,001	12,744	16,721	13,254	17,390
Human Resources Technician	7,032	9,276	7,348	9,693	7,642	10,081
Information Technology Director	15,817	20,613	16,529	21,541	17,190	22,403
Management Analyst (<i>confidential</i>)	7,459	9,786	7,795	10,226	8,107	10,635
Marketing and Communications Coordinator	7,459	9,786	7,795	10,226	8,107	10,635
Parks and Recreation Director	15,817	20,613	16,529	21,541	17,190	22,403
Police Chief	21,683	28,088	22,659	29,352	23,565	30,526
Policy and Management Analyst	8,791	11,534	9,187	12,053	9,554	12,535
Public Works Director	15,817	20,613	16,529	21,541	17,190	22,403
Risk Manager	12,195	16,001	12,744	16,721	13,254	17,390
Senior Human Resources Analyst	9,350	12,267	9,771	12,819	10,162	13,332
Senior Management Analyst (<i>confidential</i>)	8,367	10,976	8,744	11,470	9,094	11,929