

RESOLUTION NO. 16-002

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SARATOGA
APPROVING COMPENSATION AND TERMS OF EMPLOYMENT FOR
UNREPRESENTED EMPLOYEES**

WHEREAS, certain City job classifications are unrepresented, which means incumbents do not engage in collective bargaining with the City on matters related to wages, benefits and other terms and conditions of employment; and

WHEREAS, Unrepresented Employees are those employees in unrepresented job classifications who are regular, benefited full-time employees, after successfully completing the City's mandatory 12-month probationary period (if applicable); and

WHEREAS, Unrepresented Employees are subject to the City's Personnel Rules and Policies adopted by the City Council and are subject to the terms in this Resolution (except as modified by subsequent personnel rules and policies and resolutions, if any, applicable to unrepresented job classifications); and

WHEREAS, this Council finds that the compensation and terms of employment attached (Exhibit A) to this Resolution are fair and proper and in the best interest of the City; and

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Saratoga the compensation and terms of employment attached to said Resolution for Unrepresented Employees is hereby adopted, becomes effective on January 20, 2016, and supersede the terms in Resolution No. 15-037.

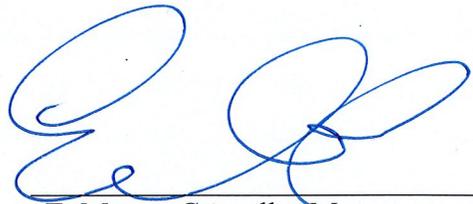
The above and foregoing resolution was passed and adopted by the Saratoga City Council at a regular meeting held on the 20th day of January 2016 by the following vote:

AYES: Mayor E. Manny Cappello, Vice Mayor Emily Lo, Council Member Mary-Lynne Bernald, Howard A. Miller, Rishi Kumar

NOES:

ABSENT:

ABSTAIN:



E. Manny Cappello, Mayor

ATTEST:


Crystal Bothelio, City Clerk

DATE: 1/22/2016

**CITY OF SARATOGA
UNREPRESENTED CLASSIFICATIONS
COMPENSATION AND TERMS OF EMPLOYMENT**

I. INTRODUCTION

This Resolution establishes the compensation and other terms for benefited regular full-time unrepresented job classifications that are not included in a collective bargaining agreement, memorandum of understanding, or employment contract.

Unrepresented classifications are subject to the City's Personnel Rules and Policies adopted by the City Council and are subject to the terms in this Resolution (except as modified by subsequent personnel rules and policies and resolutions, if any, applicable to such an unrepresented, regular, full-time employee).

The terms in this document, once adopted by the City Council, supersede the terms in the 2015 Resolution (Resolution No. 15-037) effective as of January 20, 2016, or on the effective date noted for each term.

II. UNREPRESENTED JOB CLASSIFICATIONS

Community Development Director
Finance and Administrative Services Director
Public Works Director
Recreation and Facilities Director
City Clerk / Assistant to the City Manager
Finance Manager
Human Resources Manager
Parks Division Manager
Streets and Fleets Division Manager
Human Resources Technician

Any other job classification determined not appropriate to be included in a represented bargaining unit.

III. COST OF LIVING ADJUSTMENT

Each employee shall receive an annual cost-of-living adjustment of no less than one percent (1.0%) and no greater than two and one-half percent (2.5%) as based upon the annual average for the 12 month period of January 1 to December 31 of the U.S. Department of Labor, Bureau of Labor Statistics, "All Urban Consumers (CPI-U)" for the "San Francisco-Oakland-San Jose" region.

If the annual average falls below one percent (1.0%), each employee shall nevertheless receive a minimum one percent (1.0%) cost-of-living adjustment; if the above Index increases above two and one-half percent (2.5%), each classification shall nevertheless receive a maximum two and one-

half percent (2.5%) cost-of-living adjustment.

IV. EMPLOYEE BENEFITS

A. Health and Dental Premium Contributions

Effective January 1, 2016, the City will provide a monthly health insurance contribution for each employee's selected level of coverage as follows in the chart below:

| Employee | Employee Plus One | Employee Plus Two (Family) |
|----------|-------------------|----------------------------|
| \$800.00 | \$1,600.00 | \$2,080.00 |

The City's monthly health insurance contribution will be adjusted annually as follows.

1. Prior to the beginning of the CalPERS open enrollment period, the City will compare the average monthly cost of all plans offered in the next calendar year for each level of coverage (Employee, Employee + 1, and Employee +2) with the current year average monthly costs for each level of coverage. The average will be calculated by adding the cost for each plan at the same level of coverage and then dividing by the number of plans.
2. If the average cost for a level of coverage in the next calendar year will exceed the average cost for the same level in the current year, then the City's monthly contribution for that level of coverage will be increased by 50% of the difference of the two yearly averages.
3. If the average cost for a level of coverage in the next calendar year is below the average cost for the same level in the current year, then the City monthly contribution for that level of coverage will not change.

The adjusted City contribution for each level of coverage for the next calendar year will be provided to the employees prior to the beginning of the open enrollment period and become effective on January 1 of each year.

Examples:

- (1) The 2016 (base year) City monthly contribution for the family level of coverage is \$2,080 and the average cost of all plans at the family level offered in 2017 will be \$2,366. The City's monthly contribution will be increased to \$2,168 ($\$2,366 - \$2,190 = \176, 50% of the \$176 difference = an increase of \$88). The employee would pay the balance of \$88 for the plan selected.
- (2) The 2017 average monthly contribution for the family level of coverage is \$2,168 and the average cost of all plans at the family level offered in 2018 will be \$2,554. The City's monthly contribution for 2018 would be increased from \$2,168 (the 2017 rate) to \$2,262 ($\$2,554 - \$2,366 = \188, 50% of the \$188 difference = an increase of \$94). The employee would pay the balance of \$94 for the plan selected.

If an employee selects a health insurance plan with a monthly premium above the City contribution, the employee will pay the amount above the City contribution as a pre-tax payroll deduction.

The CITY contributes 100% of the dental premium for regular, full-time employees.

B. Health and Dental -In-Lieu Payments

An employee who completes and submits required documents (1) to prove that the employee has other health insurance coverage and (2) to waive City-provided health insurance coverage will receive a payment per month of \$350.00 as additional taxable wages.

The employee must complete and submit any required documents and provide proof of other health insurance coverage during open enrollment (in or around October) to be eligible for the cash-in-lieu payment beginning the following January 1.

Only qualifying events as defined by law allow employees to make a change to their health, dental, and/or in-lieu enrollment elections during the year (outside of the annual open enrollment period).

Any employee who declines to accept coverage in the Dental Plan, evidenced by signing a waiver form, shall receive a monthly in-lieu payment of \$25.00.

V. PTO CASH-OUT OPTION

A PTO Cash-Out Option will not be made other than at the time of termination, except for the optional PTO cash-out plan described as follows:

If an employee has used the required minimum of 80 accrued hours of PTO in the prior fiscal year, the employee is eligible to cash out up to a maximum of 200 accrued hours of PTO per fiscal year on approximately September 1 and/or March 1. An employee must maintain a minimum balance of 200 hours of accrued PTO after the cash out.

VI. ADMINISTRATIVE LEAVE

Administrative Leave is compensated time off given to regular, full-time exempt employees of the CITY. This leave shall be taken in a manner consistent with Paid Time Off (PTO). Use of administrative leave is a privilege and is provided in recognition that CITY projects often require employees to devote whatever hours are necessary, irrespective of a regular scheduled workweek, to fulfill the obligations of the job. Sixty-five (65) hours of Administrative Leave is granted to the following exempt employees:

- Community Development Director
- Finance and Administrative Services Director
- Public Works Director
- Recreation and Facilities Director
- City Clerk / Assistant to the City Manager
- Finance Manager
- Human Resources Manager
- Parks Division Manager
- Streets and Fleets Division Manager

Administrative leave cannot be carried over from year to year, and must be used by June 30th of the fiscal year in which it was provided. Administrative Leave must be exhausted prior to using PTO.

VII. RETIREMENT (PERS)

The CITY is a contracting agency of the California Public Employees Retirement System (PERS). Regular employees become members immediately upon employment and become vested after five years of full-time service.

Tier 1: CalPERS Retirement Plan of 2% @55 for Employees Hired Before July 1, 2011: The CITY, through its contract with PERS, provides for retirement benefits for any employee hired before July 1, 2011 as defined by the 2% @55 retirement plan formula (contract effective date: September 1, 1999). The City's 2%@55 contract with PERS includes Government Code 20042 – the final compensation is the average full-time monthly pay rate for the highest 12 consecutive months.

As of July 1, 2011, each employee covered by the 2% @55 retirement plan formula will pay 7% of the employee's compensation on a pre-tax basis for the employee's 7% fixed share of the CalPERS defined benefit retirement program.

Tier 2: CalPERS Retirement Plan of 2% @60 for Employees Hired July 1, 2011 Through December 31, 2012:

Each employee covered by the 2%@60 plan will pay 7% of the employee's compensation on a pre-tax basis.

New Hire CalPERS Retirement Plan For Employee Hired January 1, 2013 and After: Any employee hired on or after January 1, 2013, who does not meet the exceptions as specified in state law to be a "classic" member of PERS, will receive the following 3rd tier retirement option:

- a) A retirement plan of 2% at 62 as required by state law (PEPRA).
- b) Each employee will pay on a pre-tax basis 100% of the employee's contribution as determined by PERS toward the CalPERS 2% @62 retirement plan.

An employee hired after January 1, 2013 who meets an exception under state law to be a "classic" member of PERS will receive the second tier plan of 2% at 60 noted above.

VIII. PERFORMANCE INCENTIVE COMPENSATION

Employees hired prior to July 1, 2011 who have remained at Step 5 for five (5) years may be eligible for an additional five percent (5%) of pay following receipt of a cumulative rating of meets expectations or greater during the anniversary employee performance evaluation. Five (5) years after meeting the criteria for the initial performance incentive compensation described above, a qualified employee -- that is an employee who has remained at five percent (5%) above the top of his/her same salary range -- may be eligible for an additional salary increase of five percent (5%), for a maximum of 10% above Step 5 following receipt of a cumulative rating of meets expectations or greater during the anniversary employee performance evaluation.

IX. WORKING CONDITIONS

The City operates on a 9/80 work schedule determined by the City Manager where a full-time work week, constitutes forty (40) hours within seven consecutive 24 hour days, also defined as one hundred sixty-eight (168) hours. Employees on a 9/80 schedule are scheduled to work 8 nine hour days, 1 eight hour day, and have one day off every two weeks. An employee's workweek begins in the middle of the employee's 8 hour day and the employee's day off is on the same day of the week in the following week. For example, the standard 9/80 work schedule is as follows:

| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
|--------|--------|---------|-----------|----------|-------------|----------|
| off | 9 | 9 | 9 | 9 | 4 (end) | off |
| | | | | | 4 (start) | |
| off | 9 | 9 | 9 | 9 | off (end) | off |
| | | | | | off (start) | |
| off | 9 | 9 | 9 | 9 | 4 (end) | off |
| | | | | | 4 (start) | |
| off | 9 | 9 | 9 | 9 | off (end) | off |
| | | | | | off (start) | |

The City Manager has discretion to require Unrepresented employees to work a schedule different from the standard 9/80 schedule including a schedule that is not 9/80. Fridays when the City is not open for business are referenced as "off-Fridays."

The work period (pay period) is the period encompassing two consecutive workweeks.

A holiday furlough will exist whereby the CITY operations are closed from December 24 through January 1 of every year. Two furlough days shall be compensated as a regular day's salary. To be paid for a furlough day, an employee must be on paid status the week of the furlough with the City. All part-time employees and employees on short-term disability shall receive furlough pay on a pro-rata basis.

For any remaining furlough days, employees shall utilize their available balances (earned paid time off or earned compensatory time), if applicable. Employees that utilize unpaid leave due to an insufficient leave balance shall maintain regular benefit status. Employees may not utilize unpaid leave prior to exhausting their available balances, except with prior written authorization signed by the City Manager.

X. AT-WILL EMPLOYEE BENEFITS

The following positions are at-will and serve at the pleasure of the City Manager:

- Community Development Director
- Finance and Administrative Services Director
- Public Works Director
- Recreation and Facilities Director

A. Severance

Should the City Manager choose to terminate an at-will employee, the following severance provisions

apply and will be made available to the employee if the separated employees signs and agrees to be bound by a written general release agreeing not to sue and waiving claims and recovery against the City and all City representatives and agents.

Starting on the one-year anniversary of the date of hire, employee shall be eligible for a general release agreement with (A) a severance payment equal to three (3) month's salary; and (B) Health Insurance and Dental Insurance benefits specified in this agreement for a three (3) month period after termination. The severance payment and continuation of benefits listed above shall be increased by one (1) month for each year on the employee's anniversary date up to a maximum of six (6) months' severance pay and benefits.

At the discretion of the employee whose employment has been terminated, the severance payment shall be paid either in a lump sum, or in bi-weekly payments, beginning within ten (10) days of the effective date of termination or within ten (10) days of the effective date of the signed general release, whichever is later. If an employee selects bi-weekly payments, the employee may later choose to receive a lump sum payment for the balance of the monthly severance payments. The change from bi-weekly payments to a lump sum payment for the balance will be processed as soon as reasonably feasible and by no later than two weeks after the employee chooses to change to a lump sum payment for the balance. The severance payment shall be based on the employee's then monthly salary.

Severance benefits will be provided as follows:

Health Insurance: The employee must enroll in COBRA, directly through their existing health plan provider, for extended health insurance. The employee must pay the health insurance premium directly to his/her provider and submit a copy of the premium invoice and proof of payment to the City for reimbursement.

Dental Insurance: The City is able to directly enroll the employee in COBRA, through the City's carrier, for extended dental insurance. The employee must contact the Human Resources Division and complete any requested documents to activate acceptance of COBRA for dental insurance.

The Human Resources Division will provide to the employee a letter detailing all of the above instructions, and providing the necessary paperwork in a timely fashion, sufficient to ensure that the employee does not become ineligible for continued coverage.

B. Deferred Compensation or Alternative and In-Lieu of Option

The City will contribute \$250.00 per month, on behalf of each at-will employee, to an account with the City-provided IRS Section 457 deferred compensation plan.

Alternatively and in-lieu of the City contribution to a deferred compensation account of \$250.00 per month, each employee may elect to instead receive the \$250.00 per month (or a portion thereof), in taxable wages if that member informs the Human Resources Division in writing during open enrollment (in or around October) to be eligible for the cash-in-lieu of the City contribution to a deferred compensation account of \$250 per month beginning the following January 1.

C. Car Allowance

Each at-will employee shall receive a monthly \$275.00 car allowance.