

RESOLUTION NO. 2014 -070

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROHNERT PARK
APPROVING AND ADOPTING AN OUTLINE OF CERTAIN CONDITIONS OF
EMPLOYMENT, FRINGE BENEFITS, AND SALARY FOR THE MANAGEMENT
UNIT FOR THE PERIOD OF JULY 1, 2014 THROUGH JUNE 30, 2017**

WHEREAS, staff has prepared a final Outline of Certain Conditions of Employment, Fringe Benefits, and Salary for the Management Unit;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Rohnert Park that it does hereby approve and adopt the Outline of Certain Conditions of Employment, Fringe Benefits, and Salary for the Management Unit, which is attached hereto as Exhibit "A" and incorporated by this reference.

BE IT FURTHER RESOLVED that the City Manager is hereby authorized and directed to execute documents pertaining to same for and on behalf of the City of Rohnert Park.

DULY & REGULARLY ADOPTED this 24th day of June, 2014.



CITY OF ROHNERT PARK

Joseph T. Callinan, Mayor

ATTEST:

JoAnne M. Buergler, City Clerk

Attachments: Exhibit A – Employment Outline

BELFORTE: Aye MACKENZIE: Aye STAFFORD: Absent AHANOTU: Aye CALLINAN: Aye

AYES: (4) NOES: (0) ABSENT: (1) ABSTAIN: (0)



EXHIBIT A

OUTLINE
OF CERTAIN CONDITIONS OF EMPLOYMENT,
FRINGE BENEFITS, AND SALARY FOR THE
MANAGEMENT UNIT

EFFECTIVE JULY 1, 2014 – JUNE 30, 2017

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This Outline is a document that describes conditions of employment, fringe benefits and salary for employees in the Management Unit. The Management Unit currently consists of employees occupying the classifications of:

- City Clerk
- City Engineer
- Deputy City Engineer
- Development Services Director
- Director of Public Works and Community Services
- Technical Services Division Manager
- Utility Billing & Revenue Manager

1. Work Schedules

The appointing authority shall establish and modify work schedules for all employees. Employees in Management positions shall work any and all hours necessary in the performance of their assigned duties, without overtime and without regard to fixed work schedules.

2. Holidays

2.1. Holidays Observed

The holidays observed by the City will be:
"Independence Day," July 4
The first Monday in September, "Labor Day"
The second Monday in October, "Columbus Day"
"Veteran's Day," November 11
The fourth Thursday in November, "Thanksgiving Day"
Day after "Thanksgiving"
12:00 Noon to 5:00 p.m. on Christmas Eve, December 24
"Christmas Day," December 25
"New Year's Day", January 1
The third Monday in January, "Martin Luther King, Jr. Day"
Friday proceeding "President's Day"
The third Monday in February, "President's Day"
The last Monday in May, "Memorial Day"

2.2. Proclaimed Holidays

Every day proclaimed by the President, Governor or Mayor of the City as a public holiday and made applicable to City employees.

2.3. Day of Mourning

Each day that the Governor declares a day of mourning or special observance as a holiday for State employees if the declaration makes it applicable to City employees.

2.4. Floating Holiday

In addition to the recognized holidays identified in Section 2.1, each eligible employee shall be allocated one floating holiday (equivalent to 8 hours for a full-time employee) per fiscal year on July 1st. Each employee hired prior to July 1 of each year shall be entitled to the floating holiday. Employees hired between July 1 and December 31 will receive 8 hours of floating holiday time. Employees hired between January 1 and June 30 will receive 4 hours of floating holiday time in the fiscal year in which they were hired. The floating holiday must be taken prior to June 30th of each year. The floating holiday will not be carried over from year to year and there shall be no cash value for the floating holiday during employment or upon separation from the City.

3. Annual Leave Program

3.1. Effective July 1, 2011 employees shall accrue monthly the following Annual Leave:

Length of Service	Monthly Accrual Rate	Annual Leave Allowance
0-2 Years	12.67 hours	152 hours
3-5 Years	14.00 hours	168 hours
6-10 Years	16.00 hours	192 hours
11-15 Years	18.00 hours	216 hours
16+ Years	19.33 hours	232 hours

3.2. Effective July 1, 2011, employees shall not accrue any form of sick leave or disability wage, non-industrial or industrial. However, employees who have accrued fully-paid hours under either the sick leave or disability wage program for non-industrial illness and injury shall retain the balance of such hours accumulated as of July 1, 2011. Half-pay hours accumulated as provided by the disability wage plan will be converted to fully-paid hours (balance divided by 2), and credited to the balance of each employee covered by the disability wage plan. Employees in the disability wage plan who have not received their 2011 anniversary allotment of 40 hours of full-pay disability wage at the time of conversion will receive this additional 40 hours upon conversion. Paid leave for approved absence due to injury or illness may be charged against this balance at the employee's discretion. Upon retirement from the City of Rohnert Park, an employee may convert any remaining sick leave balance to service credits pursuant to CalPERS regulations and procedures.

3.3. Effective July 1, 2011, employees shall not accrue vacation. All existing accumulated vacation shall be converted to Annual Leave.

3.4. Annual Leave hours may be used to provide paid time off for any approved absence, including but not limited to vacation and illness. When annual leave is used for sick leave purposes, the City may require the employee to submit substantiating evidence of illness. If a demonstrable pattern of abuse or evidence of suspected fraud is identified.

3.5. An employee may accumulate Annual Leave credits up to a maximum of 500 hours of Annual Leave. Accrual shall cease until the Annual Leave balance falls below the cap.

3.6. Accumulated Annual Leave shall be converted to cash upon separation from City service.

3.7. The City will provide a short-term disability insurance program which includes income replacement of 60% and benefits coordination to employees.

4. Military Leave

The City grants military leave and any related benefits maintenance, job seniority and retention rights to all employees for service in a uniformed service in accordance with state and federal law. The employee must notify his/her supervisor of upcoming military duty as soon as he/she becomes aware of his/her obligation.

5. Other Fringe Benefits

5.1. Fringe Benefit Administration

The City reserves the right to select the insurance carrier(s) or to self-administer any of the fringe benefit programs provided. All benefits provided under this section (Section 5) are subject to the characteristics of each individual benefit program. The value or availability of the benefits provided in this Outline as originally worded or as amended from time to time may depend on their tax treatment by the State or Federal government or the decisions of other government agencies or departments, such as, but not limited to, the California Public Employees' Retirement System (CalPERS). The City will endeavor to obtain the most favorable treatment legally possible from these other governmental entities. However, the City makes no representation concerning the value of such benefits to unit members or how they will be taxed or otherwise treated by other agencies or departments. The City's obligations under this Outline are limited to the direct cost of providing the salary and benefits as described in this Outline. The City shall have no additional financial obligation, even if the tax or other treatment of such salary or benefits by other agencies or departments reduces or eliminates their value to the employee.

A. The City will continue all employee benefits and pay the appropriate premiums, as specified by law or the City's Personnel Rules.

B. Employee may continue benefits during an authorized leave without pay for the period of the authorized leave by making payment to the City for said benefits.

C. If there is any inconsistency between this section and the Personnel Rules and Regulations, the Personnel Rules and Regulations shall govern.

5.2. Administrative Leave

The employees in the unit shall receive one hundred (100) hours of Administrative Leave on July 1, 2014 and each July 1st. thereafter for the term of this outline. Up to twenty (25) hours of unused Administrative Leave may be paid in cash or its equivalent value applied towards an approved benefit program. Requests for pay of this leave shall be submitted to the City Manager on or before June 1, 2015 and each June 1st thereafter for the term of this outline. Payment shall be made no more than 30 days subsequent to the approval of the request by the City Manager. Any unused Administrative Leave hours remaining as of June 30, 2015 and each June 30th thereafter for the term of this outline shall be forfeited.

5.3. Catastrophic Leave

Leave benefits shall be provided as outlined in City Council Resolution No. 2001-270, adopted December 11, 2001.

5.4. Hearing Aid Benefit

That the City shall reimburse employees up to eighty percent (80%) with a lifetime maximum of nine hundred dollars (\$900) for hearing aid devices.

5.5. Family Medical Leave

Employees may request a leave of absence under the California Family Rights Act (CFRA) and/or the Federal Family Medical Leave Act (FMLA). Requests for family and medical leave shall comply with the requirements of the CFRA and/or the FMLA.

5.6. Light or Limited Duty

Employees injured or ill from either on-the-job (industrial) or off-the-job (non-industrial) causes may, at the City's sole discretion, be assigned to light, limited, or modified duty. They may be assigned duties that differ from the normal work duties of the employee. By virtue of this paragraph, City does not intend to create any permanent light, limited or modified positions.

5.7. Americans with Disabilities Act

The City recognizes it has an obligation under law to comply with the Americans with Disabilities Act (ADA).

5.8. Employee Death

Upon death of an employee, any unused annual leave shall be paid to the employee's surviving spouse or beneficiary. In the absence of a spouse

or beneficiary, any unused annual leave shall be paid to the primary beneficiary specified by the employee on the employee's enrollment/beneficiary card for City-provided life insurance.

5.9. Health Insurance

The City shall provide the insurance programs described in this Section. The City reserves the right to provide these insurance programs by self-insurance, through an insurance company or by any other method which provides the coverage outlined. Any premiums paid by the employee eligible for Section 125 will be deducted from the employee's pay on a pre-tax basis.

A. **Health Insurance** - The City shall offer employees and their eligible dependents, a health insurance program under the terms set forth below:

- 1) The City will contribute up to the following amounts per month toward the cost of employee medical insurance premiums for City's offered health plans at the employee's enrollment level:

Enrollment Level	2014-2015	2015-2016	2016-2017
Employee Only (Single)	\$469.00	\$485.00	\$500.00
Employee + 1 (Two Party)	\$938.00	\$971.00	\$1,000.00
Employee + 2 (Family)	\$1327.00	\$1,373.00	\$1,400.00

- 2) The City shall provide a copy of the summary description of all health care programs offered by the City to each employee upon request.
- 3) Regular part-time employees may elect to participate in health insurance plans and the City will contribute a pro-rata amount (based on the allocation of the position) towards the premium. The part-time employee will be responsible for the balance of the premium through payroll deductions. If the part-time employee does not select coverage, no cash payment will be made in lieu of the insurance.

B. **Alternate Benefit** - Eligible employees who provide proof of health insurance coverage from a source other than the City may receive an alternate benefit of \$350.00 per month. This benefit shall be provided as outlined in City Council Resolution No. 2007-178, adopted October 23, 2007.

C. **Joint Commitment to Affordable Health Care** –Ninety (90) days prior to open enrollment, parties will work together to review preliminary health care rates and discuss any potential changes to plan design to

reduce costs. However, changes necessitated by REMIF's transition from fully insured plans to self-insured plans are outside the scope of this outline.

D. **Dental Insurance** - The City shall offer employees and their eligible dependents, dental insurance benefits under the terms as set forth below. The City shall provide a copy of the summary description of the dental program offered by the City to each employee upon request.

- 1) In general, the program includes basic dental insurance coverage of payment to Delta Dental PPO network dentists of the indicated percentage up to the maximum of \$2,000 for each eligible person per year for the following benefits:
- 2) One hundred percent (100%) of the cost of diagnostic and preventative care.
- 3) Eighty-five percent (85%) of the cost of basic dental services.
- 4) Eighty-five percent (85%) of the cost of crowns and restorations.
- 5) Fifty percent (50%) of the cost of prosthodontics.
- 6) Two thousand dollar (\$2,000) maximum benefit for dental services per person per year.
- 7) Fifty percent (50%) of the cost of orthodontics with a one thousand five hundred dollar (\$1,500) lifetime maximum benefit per person
- 8) Services rendered by dentists outside of the Delta Dental PPO network (including Delta Dental Non-PPO Dentists) are covered at a reduced rate; are subject to the limitation of section (v) above and a one thousand five hundred dollar (\$1,500) lifetime maximum orthodontic benefit per person.

E. **Vision Insurance** -The City shall offer employees and their eligible dependents, a vision insurance program under the terms as set forth below:

- 1) The City shall pay the applicable monthly premiums and any increases during the term of this Agreement. Premiums will be set by the insurer, or if self-insured by the City, using fiscally prudent methods. The City shall provide a copy of the summary description of the vision insurance program offered by the City to each employee upon request.

- 2) In general, the program includes an eye examination once each twelve (12) months, lenses once each twelve (12) months, and frames once each twenty-four (24) months. An employee may purchase contact lenses in lieu of the benefits summarized above. For details, allowances and restrictions, refer to the Plan documents.

5.10. Adoption Benefit

The City will provide a six hundred dollar (\$600) per child cash benefit to employees adopting minor children to help offset the cost of adoptions. This cash benefit does not include the cost of adopting step-children, i.e. children of present spouse.

5.11. Bereavement Leave

A. A regular employee shall be paid up to three (3) days of bereavement leave when there is a death in their immediate family.

B. Immediate family in this case means: spouse, domestic partner, father, father-in-law, mother, mother-in-law, brother, brother-in-law, sister, sister-in-law, child (including step-children), step-parents, aunts, uncles, grandparents, grandparent-in-law, grandchildren and relationships in loco-parentis, and close personal relationships, with the approval of the City Manager or his/her designee.

5.12. Funeral Benefit

City will provide fifty percent (50%) co-payment, not to exceed two thousand dollars (\$2,000), for funeral expenses for an employee or their spouse only. This funeral benefit will be considered secondary to and shall be coordinated with any and all other funeral benefits that may be payable to employee or spouse.

5.13. Long-Term Disability Insurance

The City shall provide, at no premium cost to employees, long-term disability income protection insurance coverage. The basic benefit shall be sixty six and two thirds percent (66 2/3%). In no event shall the employee receive more than full salary. The benefits provided under this section are subject to the characteristics of the individual program. The waiting period for the above long-term disability benefits plan shall be ninety (90) days.

5.14. Life Insurance

A. The City will provide, at no premium cost to employees, one hundred thousand dollars (\$100,000) life insurance coverage provided to employees and five thousand dollars (\$5,000) for dependents, and which coverage includes accidental death and dismemberment benefits.

B. The City will allow, subject to the insurance carrier's approval, any employee to purchase, at his or her own cost additional life insurance coverage under the City's group program.

5.15. Deferred Income

The City will continue to make available to the employees a deferred income program, now being administered by Nationwide and International City Management Association (ICMA) or a similar program with another institution acceptable to City.

5.16. Retired Employees

A. Definition of Terms

- 1) "Eligible Employee" means any regular full-time or regular part-time benefited employee hired by the City before July 1, 2007, and who actively participates in and contributes to the CalPERS Retirement System, and who will be entitled, when eligible, to receive a retirement allowance from CalPERS.
- 2) "Retired Employee" or "Retiree" is a regular full-time or regular part-time benefited City employee hired before July 1, 2007 who retires from the City and thereafter receives a retirement allowance from CalPERS. Retirement includes service retirement or disability retirement from the City of Rohnert Park.
- 3) "Continuous City service" is defined as being continuous regular full-time or regular part-time benefited City employment for calculating length of continuous service and service credit. Part-time (non-benefited) employment and approved unpaid leaves will not be used in calculating length of continuous service under this section. Any separation from City employment will void any previous accrual towards length of continuous service for purposes of this section, unless otherwise waived by the City Manager and due to extenuating circumstances. Layoffs with subsequent restoration and approved City paid leaves do not constitute separation from City service (and therefore will not void any previous accrual towards length of continuous service) for the purpose of this section.
- 4) "Employees Hired on or After July 1, 2007" means any regular full time or regular part-time benefited employee hired by the City on or after July 1, 2007, and who actively participates in and contributes to the CalPERS Retirement System, and who will be entitled, when eligible, to receive a retirement allowance from CalPERS. Employees hired

on or after July 1, 2007 are entitled to the retiree health benefit set forth in Section 5.16(B)(2) below.

B. Retiree Health Benefits

1) Hired Before July 1, 2007

Before January 15, 2015, the City shall establish a Retiree Health Savings Account (RHSA) for each Eligible Employee and shall contribute \$2,000.00 per year of Continuous City Service into the RHSA. For purposes of the service credit calculation, eligible employees shall receive service credit on a pro rata basis by days of service as of January 1, 2015.

The City will explore providing alternative plan options to the RHSA, including 457 deferred compensation plans, and if feasible will offer such alternative plans to Eligible Employees.

i. Eligible Employees Who Retire From the City on or After July 1, 2014

For Eligible Employees who retire from the City of Rohnert Park on or after July 1, 2014, the City agrees to make a medical insurance premium contribution toward the applicable early retirement premium in the amount of \$500.00 per month until said Retired Employee reaches the age of Medicare eligibility or elects to leave the City medical system. Subject to the eligibility criteria of REMIF and/or insurance plans, Eligible Employees may participate as retirees at their own expense in the City's group health insurance.

ii. Eligible Employees Who Retire Prior to January 1, 2015

In the event an Eligible Employee elects to retire prior to January 1, 2015 subject to the terms of this Agreement and the benefit provided in section 5.16(B)(1)-(i) above, the RHSA shall be established and funded on the date of retirement, or as near as practicable to that date. The Eligible Employee must make the election to retire prior to January 1, 2015 in writing and provide a minimum of thirty (30) days' notice to the Personnel Officer.

Alternatively, Eligible Employees who meet the requirements set forth in Section 5.17 below may

retire on or before December 31, 2014 under the provisions of that section.

iii. Dental and Vision Benefits for Eligible Employees

The City agrees to provide/offer regular full-time or regular part-time benefitted employees hired before July 1, 2007, the benefit(s) as provided for active employees for dental care, and vision care benefits for retired employees and one eligible dependent until the Retired Employee reaches the age of Medi-Care eligibility or elects to leave the City dental and vision system. Calculation of premium will be prorated for regular, part-time employees.

All dental and vision care benefits provided under this section are subject to the characteristics of each individual benefit program.

iv. Medical Contribution, Dental and Vision Benefits in the Event of Retired Employee's Death or Election to Leave the City Benefit System.

In the event of the retired employee's death, coverage provided by the City to the Retired Employee will not continue for the survivors or dependent children of the Retired Employee.

Any Retired Employee who, after retirement from the City, becomes employed elsewhere and is covered by medical, health, dental or vision care benefits by his/her new employer, said coverage provided by the City to the retired employee will be considered secondary to the coverage provided by his/her new employer, his/her new employer's coverage shall be considered primary. Retired employees are required to notify the City's Human Resource Department of any additional insurance coverage from new employers.

2) Retiree Health Benefits For Employees Hired On or After July 1, 2007

Beginning July 1, 2014, on a going forward basis, regular full-time or part-time benefitted City employees hired on or after July 1, 2007 shall be eligible for the benefits described below in lieu of the benefits described in Sections 5.16(B)(1) above:

1. Effective July 1, 2014, the City will increase the contribution from \$75.00 per month to \$100.00 per month for active employees in paid status to a Retiree Health Savings Account (RHSA). The monthly contribution will end upon the employee's date of retirement or separation from the City.
2. The City's contribution to an employee's RHSA shall be considered vested as to an employee terminating City employment with five (5) or more consecutive years of City service.
3. Calculation of the monthly contribution will be prorated for regular part-time employees. No employee contribution is required.
4. Subject to the eligibility criteria of REMIF and/or insurance plans, employees hired after June 30, 2007 may participate as retirees at their own expense in the City's group health insurance.

5.17. Option For Eligible Employees Who Retire Prior to January 1, 2015

- A. The City agrees to make a medical insurance premium contribution toward the applicable early retirement premium or Medicare-eligible premium as outlined in Attachment A, "Retiree Medical Insurance Table," as modified annually to reflect changes in the premium rates. Calculation of premium will be prorated for regular, part-time employees. The City's share of the medical insurance premium costs for all retirement benefits as described herein shall not exceed the amount described in Attachment A, and shall not include payment of Medicare B premiums. Coverage will extend to eligible dependents. The City will provide such contributions only:
- 1) To regular full-time and regular part-time City employees hired before June 30, 2007 who have at least fifteen (15) years of continuous service with the City and who retire upon reaching retirement age or thereafter and are receiving a retirement allowance from CalPERS. Said employees shall be referred to as "Retired Employees."
 - a) Employees with less than 15 consecutive years of service with the City receive no City fringe benefits, i.e. medical, dental, vision, life insurance at retirement
 - b) Employees must retire concurrent with termination of service with the City to be eligible for this benefit (no vesting).

- 2) To regular full-time or regular part-time employees hired before June 30, 2007 who:
 - a) Have at least ten (10) years of continuous service with the City;
 - b) Are retired forthwith from the City of Rohnert Park service into CalPERS at the time of permanent or total disability, and;
 - c) Are permanently and totally disabled from their occupation and unable to perform with reasonable continuity the material duties of their own occupation. After twenty-four (24) months if gainful employment is obtained in an occupation in which the material duties are reasonably fitted by education, training, experience and compensation to the occupation at the time of disability, the employee shall no longer be considered permanently and totally disabled from their occupation. In such circumstances, benefits shall be discontinued.
 - d) Said employees shall be referred to as "Retired Employees" except for the circumstance noted above in which the employee is no longer permanently and total disabled.
- 3) To the surviving spouse, registered domestic partner, and legal dependents of a regular full-time or regular part-time employee hired before June 30, 2007 who died while a City employee after ten (10) or more years of continuous service with the City. Said employee shall be referred to as a "Deceased Employee."
- 4) For eligible "Retired Employees" and the survivors of "Deceased Employees" as defined in Section 5.17(A) 1 through 3 above, the City agrees to provide/offer and pay the premium(s) as provided for active employees at time of retirement for life insurance, dental care, and vision care benefits for retired employees and eligible dependents. Calculation of premium will be prorated for regular, part-time employees.
- 5) Benefits provided under Section 5.17(A) shall be coordinated with Medi-Care, Medi-Cal, and any other welfare program available of which said benefit coverage shall be considered primary and City provided coverage in turn considered secondary.

- 6) All benefits provided under Section 5.17(A) are subject to the characteristics of each individual benefit program. The life insurance to be provided will be the life insurance plan amount in effect and in accordance with the provisions of the life insurance program as of the date of employee's retirement.
- 7) The benefits provided under Section 5.17(A) will continue for such retired employees and their spouse, registered domestic partner, and legal dependents, if any, while said retired employee is alive. In the event of the retired employee's death, coverage will continue for the spouse or registered domestic partners until the spouse or domestic partner dies, remarries, or forms another registered domestic partnership. In addition, the benefits provided under this section will continue for said retired or deceased employee's legal dependent children who qualify as an Internal Revenue Service dependent until said children reach the maximum age limit specified by state or federal law, or the spouse or registered domestic partner marries, or forms another registered domestic partnership whichever occurs earliest.
- 8) Continuous City service is defined as being continuous regular full-time or regular part-time City employment only for calculating length of continuous service under Section 5.17(A). Part-time (non-benefited) employment and approved unpaid leaves will not be used in calculating length of continuous service under this section. Any separation from City employment will void any previous accrual towards length of continuous service for purposes of this section, unless otherwise waived by the City Manager and due to extenuating circumstances. Layoffs with subsequent restoration and approved City paid leaves do not constitute separation from City service (and therefore will not void any previous accrual towards length of continuous service) for the purpose of this section.
- 9) If any retired employee, after retirement from the City, becomes employed elsewhere and is covered by medical, life insurance, health, dental or vision care benefits by his/her new employer, coverage provided by the City to the retired employee pursuant to Section 5.17(A) will be considered secondary to the coverage provided by his/her new employer, and his/her new employer's coverage shall be considered primary.
- 10) If any spouse or registered domestic partner of a deceased employee or deceased retired employee who is receiving benefit coverage as provided under Section 5.17(A) becomes employed and is covered by medical, health,

dental or vision care benefits by his/her employer, said coverage provided by City will be considered secondary to the coverage provided by the spouse's or registered domestic partner's employer, and his/her employer's coverage shall be considered primary.

5.18. Education and Training

The City will provide an education and training assistance program to provide reimbursement to employees for tuition and book costs only for attending and completing, with a satisfactory grade (C or better), courses in the adult high school program, at Santa Rosa Junior College, at Sonoma State University or any other educational institution acceptable to the City. All courses or classes for which reimbursement will be requested must be previously approved by the Department Head and the Human Resources Director prior to the start of said classes and approval requested on the appropriate City form. The maximum allowed amount reimbursable for tuition is one thousand dollars (\$1,000) per instructional period plus books and materials, with a total reimbursable amount not to exceed three thousand dollars (\$3,000) per calendar year.

5.19. Longevity Pay

A. The City shall provide longevity pay to employees based on continuous years of service, as defined immediately below:

Completed Years of Service	Pay Percentage Increases
5 years	2%
For each year completed thereafter	1/2%

B. The maximum longevity pay percentage to be paid shall be ten percent (10%) of base pay. The "completed years of service" will be determined on January 1st and July 1st only and not on an employee's employment anniversary date.

C. Longevity Pay Program as outlined in Section 5.20 shall not apply to personnel hired after October 10, 1995.

5.20. Retirement Programs

- A. Effective July 1, 2007, the City will provide the California Public Employees' Retirement System (CalPERS) two and seven tenths percent (2.7%) at fifty-five (55) retirement program to miscellaneous member employees. Effective July 1, 2011 the City will provide the California Public Employees' Retirement System (CalPERS) two percent (2.0%) at fifty-five (55) program to miscellaneous member employees hired on or after July 1, 2011. Effective August 1, 2011, all employees, regardless of program, will pay the required member contribution.
- 1) The City will continue to provide the "one-year highest compensation" optional provision in its contract with CalPERS.
 - 2) The City will absorb any employer contribution rate increases for miscellaneous members required by CalPERS.
 - 3) The City will modify the CalPERS Annual Cost-of-Living Allowance Increase (Section 21335) to provide for a 2.0% annual maximum cost-of-living increase for employees hired after December 31, 2007. Employees hired prior to December 31, 2007 shall be eligible for the 5.0% annual maximum cost-of-living allowance increase as defined in Section 21335.
- B. New Employees Hired On or After January 1, 2013 Who Are New Members of the CalPERS System.
- 1) Effective January 1, 2013, the City will provide the CalPERS two percent (2.0%) at sixty-two (62), highest three year average program to new miscellaneous employees (who meet the definition of a new member under PEPR) hired on or after January 1, 2013.
 - 2) Effective January 1, 2013, such new miscellaneous member employees hired on or after January 1, 2013, shall contribute at least fifty percent (50%) of the normal cost rate to CalPERS.
 - 3) Pensionable compensation does not include monies paid to new miscellaneous members for bonuses, uniform allowance, overtime allowance or reimbursement for housing and vehicles, or any ad hoc or one-time payments pursuant to Government Code Section 7522.34(c).

- C. The City makes no representation concerning the value of this benefit or how it may be taxed or treated by other agencies either presently or in the future. The City's obligation under this section is limited to the direct cost of providing the benefit as described. The City shall assume no further or additional financial obligation even if an outside agency imposes or determines there to be a financial obligation for the City or the employee.

5.21. 401(a) Retirement Plan

If eligible under guidelines, members of the management unit may participate in the City's 401(a) retirement plan.

5.22. Dependent Care Assistance Program

City will continue to provide the Dependent Care Assistance Program (DCAP) as authorized by the Internal Revenue Service for the set-aside of employee pre-tax dollars for childcare as approved by the Internal Revenue Service (IRS) and the California Franchise Tax Board.

5.23. Health Care Tax-Free Dollar Account Program

City will continue to provide the Health Care Tax-Free Dollar Account Program as authorized by the Internal Revenue Service for the set-aside of employee pre-tax dollars for the cost of monthly health care premiums as well as eligible unreimbursed medical expenses, as approved by the Internal Revenue Service (IRS) and the California Franchise Tax Board.

5.24. Counseling Services

Payment by the City of any unreimbursed costs, up to a maximum City reimbursement of one thousand dollars (\$1,000) per household per calendar year, for professional counseling service charges which are not paid for by City-provided or other insurance which the employee may have. Services not covered by City-provided health insurance programs with a maximum calendar year benefit of one thousand dollars (\$1,000) per calendar year per household.

6. Salary & Miscellaneous Pays

6.1. Salary Adjustment

- (a) Effective the first full pay period in July 2014, employees shall receive a one-time payment of three percent (3%) of their base salary. This is non-pensionable. Employees shall also receive a one-time lump sum payment of \$500.00. The \$500.00 payment is taxable and all regular payroll taxes will be withheld unless deferred into a 457 account.

- (b) Effective the first full pay period in July 2015, employees shall receive a one-time payment of three percent (3%) of their base salary. This is non-pensionable.
- (c) Effective the first full pay period in July 2016, employees shall receive a three percent (3%) increase to base salary in pensionable compensation.

6.2 Automobile Allowance

Effective December 1, 2007, miscellaneous members of the management unit shall receive an automobile allowance in the amount of \$322.30. On July 1 of each year, the automobile allowance shall be adjusted by an amount to be determined by the Bay Area All Urban Workers Consumer Price Index (CPI). The amount of the adjustment will be based upon the change in the CPI from April of the year prior to April of the current year. Effective July 1, 2014, the automobile allowance amount shall be \$375.57 per month.

6.3 Paychecks

Paychecks shall be distributed by City to employees by noon on payday.

7. Alcohol and Drugs

The City agrees to continue to work together to assist any employees who have an alcohol, alcohol related, drug or substance abuse problem. It is mutually acknowledged that continued cooperative efforts would give employees a much better opportunity to recover from this very serious health problem.

Since certain City employees are required to drive City vehicles, to think clearly and act responsibly as well as use various types of equipment, and it is known that drinking alcoholic beverages or taking certain drugs may slow a person's reflexes and ability to think clearly. The probability of having an accident is increased after drinking alcohol or taking certain drugs. The City recognizes that this situation could place the employee as well as co-workers and the public at risk of injury.

7.1 Alcoholic Beverages or Other Drugs

Alcoholic beverages, or other drugs which affect an employee's ability to drive or function safely, shall not be used by employees during their assigned regular workday, nor while on assigned standby duty.

7.2 Off Duty Hours

If an employee who has been drinking alcohol or using a drug which may impair the employee's ability to drive or function safely receives a call to return to work during off duty hours, the employee must decline the request to work.

7.3 Prescription Drugs

Employees using prescription drugs that affect the employee's ability to work safely must inform their supervisor and may be assigned to other appropriate duties or required to take leave.

8. Smoking

The City maintains as a clearly expressed condition of employment that employees refrain from smoking.

9. Residency

This program is eliminated effective July 1, 2011. Employees receiving residency stipends of \$60/mo. as of this date may retain them unless they fail to meet to condition of residing within the City. Should such an employee lose eligibility, no re-entry to the program is permitted.

10. Grievance Policy and Procedure

City will comply with the grievance procedure as outlined in Resolution No. 79-22, adopted February 13, 1979, a copy of which is attached hereto. Failure to meet any time line or specifically comply with any other requirement of the grievance procedure constitutes a specific waiver and is a bar to further consideration of the grievance.

11. Use of City Facilities

Employees and their spouse or domestic partner, and eligible dependents (as defined by City eligible dependent policy), will be allowed to participate with no fee imposed in open gym time, and to use the weight room and locker room facility at the Sports Center when such facilities are open, and to participate in the Lap Swim Program conducted at the City's swimming pools. In the event that the City determines that such use of the Sports Center or pools by employees, spouse or domestic partner, and/or dependents of employees adversely impacts the public's access to these facilities, the City may revoke this access and require payment of a fee.

12. Management Rights

Except as limited in this Outline and applicable State laws, the exclusive rights of the City shall include, but not be limited to, the right to determine the organization of city government and the purpose and mission of its departments and agencies, to determine the nature, levels and mode of delivery and for set standards of service to be offered to the public; and through its management officials to exercise control and discretion over its organization and operations; to establish and effect administrative regulations which are consistent with law and the specific provisions of this Outline; to direct its employees and establish employee performance standards and to require compliance therewith; to take disciplinary action; to discharge, suspend, reduce in pay, reprimand, withhold salary increases and benefits, or otherwise discipline employees subject to the

requirements of applicable laws; to layoff its employees whenever their positions are abolished, or whenever necessary because of lack of work or lack of funds, or other legitimate reasons; to determine whether goods or services shall be made, purchased, or contracted for; to determine the methods, means, and numbers and kinds of personnel by which the City's services are to be provided; including the right to schedule and assign work and overtime; and to otherwise act in the interest of efficient service to the City; and to take all necessary actions to protect the public and carry out its mission in emergencies.

13. Work Curtailment (No Strike Clause)

Under no circumstances shall any employee individually or collectively cause, sanction, honor or engage in any strike, sit-down, stay-in, sick-out, slow-down, speed-up, work to rule or any other type of job action, curtailment of work, restriction of production or restriction of service during the term of this Outline.

14. Term of Outline

This Outline shall become effective on July 1, 2014 through June 30, 2017.

15. Invalidation

15.1 Suspension of Agreement

If during the term of this Outline, any item or portion thereof of this Outline is held to be invalid by operation of any applicable law, rule, regulation, or order issued by governmental authority or tribunal of competent jurisdiction, or if compliance with or enforcement of the item or portion thereof shall be restrained by any tribunal, such provision of this Outline shall be immediately suspended and be of no effect hereunder so long as such law, rule, regulation, or order shall remain in effect. Such invalidation of a part or portion of this Outline shall not invalidate any remaining portion that shall continue in full force and effect.

15.2 Replacement

In the event of suspension or invalidation of any article or section of this Outline, City agrees, that except in an emergency situation, to arrive at a satisfactory replacement for such article or section.

16. Non-Discrimination

City acknowledges that in receiving the benefits afforded by this Outline, no person shall in any way be favored or discriminated against to the extent prohibited by law.

17. Personnel Files

Employees or their duly authorized representative have the right to inspect his or her personnel file maintained on him or her by the City. Employees have the right

to respond in writing to anything contained or placed in their personnel file and any such responses shall become part of their personnel file.

18. Employee Performance Evaluations

Employees have the right to respond in writing to the evaluation report should they so desire. Said responses should be submitted to the reviewer no later than thirty days after the evaluation interview.

Incorporated by Reference. The following are incorporated in this agreement by reference:

Attachment "A" – Retiree Medical Insurance Table

City Council Resolution No. 79-22, adopted February 13, 1979 - *Grievance Policy and Procedure*

City Council Resolution No. 2007-178, adopted October 23, 2007 - *Alternate Benefit*

City Council Resolution No. 2001-270, adopted December 11, 2001 – *Catastrophic Leave*

City's Personnel Rules & Regulations

Attachment "A": Retiree Medical Insurance Table

This Appendix only applies to Eligible Employees retiring under the 2013-2014 Outline on or before December 31, 2014

PREMIUM CONTRIBUTION RATE SCHEDULE FROM 7/1/13 THROUGH 12/31/14

EMPLOYEES HIRED PRIOR TO JULY 1, 1993 who retire between 7/1/13 and 12/31/14.

City contribution formula at time of retirement is: 80% of the lowest cost premium.	Lowest employee-only premium cost at time of retirement	Lowest employee+1 premium cost at time of retirement	Ongoing monthly City contribution to retiree premium: <i>Enroll retiree only.</i>	Ongoing monthly City contribution to retiree premium: <i>Enroll retiree + eligible others.</i>
80%	\$555.11	\$1,110.22	\$444.09	\$888.18

EMPLOYEES HIRED between JULY 1, 1993 and June 30, 2007 who retire between 7/1/13 and 12/31/14.

Years of Service	% of City contribution based on Years of Service	City contribution formula at time of retirement: 80% of the lowest cost premium.	Lowest employee-only premium cost at time of retirement	Lowest employee+1 premium cost at time of retirement	Ongoing monthly City contribution to retiree premium: <i>Enroll retiree only</i>	Ongoing monthly City contribution to retiree premium: <i>Enroll retiree + eligible others.</i>
15-19.99*	50%	80%	\$555.11	\$1,110.22	\$222.04	\$444.09
20-24.99	75%	80%	\$555.11	\$1,110.22	\$333.07	\$666.13
25+	100%	80%	\$555.11	\$1,110.22	\$444.09	\$888.18

*10 - 19.99 years of service for permanently and totally disabled retirees and deceased employee survivors only.

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