

MEETING DATE: 07/14/14

AGENDA ITEM: Adoption of a Resolution Approving an Updated Executive Compensation Plan.

ATTACHMENTS

- | | |
|-------------------------------------|---|
| 1. Proposed City Council Resolution | 1 |
| 2. Memorandum of Understanding | 3 |

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WHEREAS, City representatives have met and determined to amend the Executive Compensation Plan which outlines wages, hours, terms and conditions of employment for the following classifications:

NOW, THEREFORE, the City Council of the City of Culver City, DOES
HEREBY RESOLVE AS FOLLOWS:

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1 2. The City Manager and Chief Financial Officer are hereby
2 authorized to adjust the budget and the records of employees necessary to pay the
3 salaries and costs related to the terms of the approved Executive Compensation Plan.
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5 APPROVED and ADOPTED this _____ day of _____
6 2014.
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9 _____
MEGHAN SAHLI-WELLS, Mayor
City of Culver City, California

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11 ATTEST:

APPROVED AS TO FORM:

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MARTIN R. COLE
14 Assistant City Manager/City Clerk

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CAROL A. SCHWAB, City Attorney

A14-00540

CULVER CITY EXECUTIVE MANAGEMENT COMPENSATION PLAN



I. SPIRIT OF COMPENSATION PLAN

It is the spirit and intent of the compensation plan to recognize the collective responsibilities that the participants in this plan hold as executives for the City of Culver City. The participants are committed to providing the leadership necessary to continue the excellent service provided to the Culver City community.

II. PARTICIPANTS

The Executive Compensation Plan (hereinafter "Plan") shall cover the following classifications (hereinafter "Employees"), as may be amended.

Assistant City Manager
Assistant to the City Manager
Chief Financial Officer
Chief Information Officer
Community Development Director
Human Resources Director
Parks, Recreation and Community Services Director
Public Works Director/City Engineer
Transportation Director

III. COMPENSATION

A. Salary. The salary schedules specifying the salary range for each classification covered by the Plan is attached as Appendix A. The City Manager shall set salaries for each employee covered by the Plan within the specified salary range. Annual salary adjustments shall be based upon demonstrated consistent performance as evidenced by the annual performance planning, review and evaluation process. The evaluation shall include an assessment of general management skills and specific attainment of the goals and objectives set forth by the City Council and City Manager.

Employees shall receive a 2% base salary adjustment each year in the pay period that includes July 1 in 2014, 2015 and 2016

B. Voluntary 457 Deferred Compensation Plan. City agrees to provide a deferred compensation plan for employees covered herein pursuant to IRS Code Section 457. The City's maximum contribution to deferred compensation shall be one hundred sixty dollars (\$160.00) per pay period for employees that contribute a minimum of seventy-six dollars and twenty-five cents (\$76.25) per pay period and a dollar per dollar match for employees that contribute less than seventy-six dollars and twenty-five cents (\$76.25) per pay period.

The deferred compensation plan is a benefit, and as such the contribution by the City on behalf of the employee shall not change the employee's salary range. Employees may, at their option, contribute in excess of the City's matching contribution per pay period to the plan.

a. Conversion of Excess Accruals

The City will permit employees to convert and defer the dollar value of excess accruals of floating holiday hours or vacation time.

b. Changing Contributions

Employees may reduce the amount of their bi-weekly deferred compensation contribution at any time with a minimum of two (2) weeks advance written notice on the appropriate form to the Human Resources Department.

Employees may increase the amount of their bi-weekly deferred compensation contribution during quarterly open enrollment.

IV. LONGEVITY PAY

In recognition of continuous full-time employment, excluding unpaid breaks in service, the City shall provide non-cumulative Longevity Pay as follows:

<u>Years of Continuous Service</u>	<u>Monthly Amount</u>	<u>Bi-weekly Amount</u>
15	\$100 per month	\$46.16 per pay period
20	\$200 per month	\$92.31 per pay period
25	\$250 per month	\$115.39 per pay period

V. Management Incentive Pay

Effective upon full execution of this MOU, employees shall cease receiving 2% Management Incentive Pay. The 2% special compensation received as Management Incentive Pay shall be added to employees' base monthly salary.

VI. **EDUCATION INCENTIVE PAY**

The purpose of the Education Incentive benefit is to encourage and reward employees for the pursuit and attainment of higher level education not required by the employee's current job classification.

Effective the first full pay period after July 1st, employees that possess a Master's Degree or higher from an accredited organization recognized by the Department of Education shall receive a \$1,500 annual education incentive.

Employees shall provide a copy of his or her degree certificate to the Human Resources Department.

VII. **NON-RECURRING COMPENSATION**

Employees shall receive a 1% lump sum payment upon full execution of this agreement. Additionally, employees will receive a 1% lump sum payment in the first full pay period after July 1, 2015 and July 1, 2016. This compensation shall be reported to CalPERS pursuant to California Code of Regulations (CCR) Section 571, Off-Salary-Schedule Pay.

V. **RETIREMENT**

A. **CalPERS Retirement Benefits**

The City agrees to provide retirement benefits to eligible employees under the California Public Employees' Retirement System (PERS) as follows. The definition of "new" member and "classic" member are set forth in Appendix B of this MOU.

GOVERNMENT CODE SECTION	BENEFIT
7522.20 (a)	<u>“New” Members, as defined by the Public Employees Pension Reform Act (PEPRA), hired on or after January 1, 2013</u> <u>2% @ Age 62:</u> Base retirement plan of two percent (2%) at age 62 for all unit employees defined as “new” members by AB 340 and hired on or after January 1, 2013.
20037	<u>For unit employees that retire on or before December 31, 2006 and hired after July 1, 2011:</u> <u>Three-year Final Compensation:</u> Final compensation is the average full-time monthly pay rate for the highest thirty-six (36) consecutive months; the City also coordinates with Social Security, therefore the final compensation will be reduced by \$133.33.
20042	<u>For unit employees that retire on or after January 1, 2007 and hired prior to July 1, 2011:</u> <u>One-Year Final Compensation:</u> Final compensation is the average full-time monthly pay rate for the highest twelve (12) consecutive months; the City also coordinates with Social Security, therefore the final compensation will be reduced by \$133.33.
20055	<u>Prior Service Credit:</u> Employees may be eligible to purchase prior service credit.
20124	<u>Military Service Credit:</u> Employees may be eligible to purchase up to four (4) years of service credit.
21329	<u>Two percent (2%) COLA:</u> Beginning the 2 nd calendar year after the year of retirement, retirement and survivor allowances will be adjusted annually on a compound basis of two percent (2%); the adjustment may not be greater than the change in the CPI.
21353	<u>2% at Age 60:</u> Base retirement plan of two percent (2%) at age 60 for all unit employees hired after July 1, 2011.
21354.4	<u>2.5% at Age 55:</u> Base retirement plan of two and one-half percent (2.5%) at age 55 for all employees hired prior to

	July 1, 2011.
21548	<u>Pre-retirement Option 2:</u> Upon the death of a member who was eligible to retire, the spouse may receive an allowance equal to the amount the member would have received if the member had retired for service retirement on the date of death and elected Option 2W.
21551	<u>Death Benefit:</u> Provides that death benefits paid to a spouse of a member who died prior to retirement will continue in full should the spouse remarry.
21620	<u>Retired Death Benefit of \$500:</u> Upon the death of a retiree, a one-time lump sum payment of five-hundred dollars (\$500) will be paid to the retiree's designated survivor(s), or to the retiree's estate.

B. CALPERS EMPLOYEE CONTRIBUTION FOR "CLASSIC MEMBER" EMPLOYEES HIRED PRIOR TO JULY 1, 2011

1. The CalPERS employee contribution of eight percent (8%) for the 2.5% @ 55 retirement plan is established by State legislation. Employees shall be responsible for the full PERS employee contribution payment which is currently eight percent (8%)
2. The City continues to pay all other PERS employer related costs for PERS benefits provided by the City.
3. The City has adopted the CalPERS resolution in accordance with Internal Revenue Code section 414(h)(2) to ensure that the employee contribution is made on a pre-tax basis.

C. CALPERS EMPLOYEE CONTRIBUTION FOR "CLASSIC MEMBER" EMPLOYEES HIRED ON OR AFTER JULY 1, 2011

1. The PERS employee contribution rate of seven percent (7%) for the 2% @ 60 retirement plan is established by State legislation. Unit employees shall be responsible for the full PERS employee contribution payment which is currently seven percent (7%).
2. The City continues to pay all other PERS employer related costs for PERS benefits provided by the City.
3. The City has adopted the CalPERS resolution in accordance with Internal Revenue Code section 414(h)(2) to ensure that the employee contribution is made on a pre-tax basis.

**D. CALPERS EMPLOYEE CONTRIBUTION FOR “NEW MEMBER”
EMPLOYEES HIRED ON OR AFTER JANUARY 1, 2013**

1. Unit employees defined as new members by PEPRA are covered under the 2% at age 62 retirement formula. New members shall be responsible for paying the employee contribution rate of one-half of the total normal cost of the plan as determined by CalPERS.
2. The City continues to pay all other PERS employer related costs for PERS benefits provided by the City.
3. The City has adopted the CalPERS resolution in accordance with Internal Revenue Code section 414(h)(2) to ensure that the employee contribution is made on a pre-tax basis.

VI. MEDICAL INSURANCE

A. CAFETERIA PLAN

The City contracts with the California Public Employees' Retirement System (PERS) for medical insurance coverage. Eligible new hires are covered under the program on the first day of the month following enrollment. the City will contribute the PERS statutory minimum on behalf of each participant in the program. The statutory minimum for 2014 is \$119 per month and \$122 per month for calendar year 2015. A participant is defined as any of the following individuals: (1) a covered employee, (2) a covered current retiree, and (3) a covered surviving annuitant of a deceased retiree. Inclusive of the statutory minimum, the City will provide current employees with flexible benefits through a cafeteria plan as provided below:

Employee	\$ 664.00
Employee +1	\$ 1,143.00
Family	\$ 1,422.00

The monthly flex dollar allowance may be used in accordance with the terms of the cafeteria plan to purchase benefits offered under the cafeteria plan and other supplementary products or, after mandatory health elections have been made, converted to taxable income.

In the event that premiums and/or costs for the selected benefits exceed the monthly flex dollar allowance, the balance will be paid by the employee through automatic pre-tax payroll deduction, as permitted under IRS Code Section 125.

The City will contribute up to an additional 4% towards the increased cost of medical premiums in a calendar year. The average increase in PERS monthly health care premiums for active employees shall be calculated by subtracting the average cost of Los Angeles area Basic premiums for all available City-offered CalPERS health-care plans for the current year from the average cost of Los Angeles area Basic premiums for all available City-offered CalPERS health-care plans for the upcoming year. If this percentage is less than 4%, then the City allowances shall be increased only by that percentage. If this percentage equals or exceeds 4%, the City allowances shall be increased by 4%. If there is a year where the average premium increase is 0%, or there is an overall decrease, the City contribution shall not be adjusted. In addition, the City shall continue to provide flex dollars to cover 100% of HMO dental, vision and life insurance premiums.

B. Medical Insurance Premiums – Opt-Out Option (NON-PERSABLE)

Employees may elect to discontinue participation in the CalPERS Health Plan ("Opt-Out). Employees electing to cancel City medical insurance coverage for themselves and all eligible family members must provide proof of coverage through another (non-City) benefit plan (e.g., spouse's coverage through another employer), and must waive any liability to the City for their decision to cease coverage under the City's medical insurance plan. Employees electing to opt out will receive the above allotted single-party flex dollars toward other items in the full flex cafeteria plan or convert it to taxable income.

C. Re-Enrollment In City Medical Insurance Plan

After opting-out, re-enrollment can only occur during the open enrollment period or after a qualifying event (proof of loss of coverage by the non-City plan). Coverage will commence per the plan document.

A qualifying event shall be defined as set forth in the PERS medical plan, a copy of which is available in the Human Resources Department.

D. DENTAL INSURANCE

The City shall continue contracting for the current or comparable program. All unit employees shall be eligible to enroll qualified dependents and will pay the premium costs for such enrollment through the full flex cafeteria plan.

The City retains the exclusive right to determine the contents, limits of coverage, and the contractor for such insurance.

For dental insurance plans, when a unit employee is the spouse of another benefited City employee, the affected employees shall have the option of:

- individual coverage; or
- one (1) employee may select a plan and list the spouse as a dependent.

E. VISION INSURANCE

The City shall continue contracting for the current or comparable program. All unit employees shall be eligible to enroll qualified dependents and will pay the premium costs for such enrollment through the full flex cafeteria plan.

For vision insurance plans, when a unit employee is the spouse of another benefited City employee, the affected employees shall have the option of:

- individual coverage; or
- one (1) employee may select a plan and list the spouse as a dependent.

F. LIFE INSURANCE

The City shall continue contracting for the current or comparable program for Term Life Insurance Group coverage of \$50,000.

G. RETIREE MEDICAL INSURANCE

(i) Employees hired prior to July 1, 2011 that retire on or before December 31, 2011

The City's monthly contribution for medical insurance provided through the PERS Health plan, for active employees hired prior to July 1, 2011 and who retired on or before December 31, 2011 or "Grandfathered Employees, shall be as follows:

All plans except PERSCare:

- City shall pay ninety-five percent (95%) of the monthly medical plan premium; and
- Employees and retirees shall pay five percent (5%) of the monthly medical plan premium.

PERSCare Plan:

- City shall pay seventy percent (70%) of the monthly PERSCare premium; and
- Employee and retirees shall pay thirty percent (30%) of the monthly PERSCare premium.

“Grandfathered employees” is defined as unit employees that, as of December 31, 2011, have twenty (20) or more years of CalPERS service (excluding “Air Time”) or, unit employees that retire on or before January 1, 2022 with twenty-five (25) years or more of Culver City service.

(ii) Employees hired prior to July 1, 2010 that retire after December 31, 2011

Upon retirement with a minimum of 5 years City service, employees who were hired prior to July 1, 2011 shall be eligible to receive up to \$520.68/mo based on plan enrollment for retiree only, which is inclusive of the statutory minimum; and pre-65 spousal/dependent coverage shall be provided up to an additional \$454.48/mo subject to vesting. Vesting for pre-65 spousal/dependent coverage is contingent upon the employees' years of City service. Employees who retire with 6 years of City service shall be eligible to receive 20% of the maximum pre-65 spousal/dependent allowance, and another 20% for each additional year of City service up to 100% of the maximum dependent allowance after 10 years of City service (i.e. 6 years = 20%, 7 years = 40%, 8 years = 60%, 9 years = 80%, 10 years = 100%).

The City's contribution towards retiree medical insurance shall not increase by more than 4% annually based on the CalPERS rates in effect as of January 1, 2011. If the average premium increase of CalPERS medical insurance plans exceeds 4%, any additional amount shall be borne by the annuitant. The average increase in PERS monthly health care premiums shall be calculated by subtracting the average cost of Los Angeles area Basic (non-Medicare) premiums for all available City-offered CalPERS health-care plans for the current year from the average cost of Los Angeles area Basic (non-Medicare) premiums for all available City-offered CalPERS health-care plans for the upcoming year. If this percentage is less than 4%, then the City allowances shall be increased only by that percentage. If this percentage equals or exceeds 4%, the City allowances shall be increased by 4%. If there is a year where the average premium increase is 0%, or there is an overall decrease, the City contribution shall not be adjusted. Employees shall only be eligible to receive the City contribution towards retiree medical insurance based on his or her family status at the time of retirement. This amount shall only be increased by up to 4% of the average cost of CalPERS Basic (non-Medicare) Los Angeles area premiums as described above.

The City shall make available a retiree health care trust (RHS) to enable employees to prefund retiree health care expenses while employed by the City. The City shall match the first \$25 per pay period of the employee contribution to the RHS. The individual accounts can be utilized after separation of service for reimbursement of all qualified medical expenses, including insurance premiums, in accordance with IRS Section 213. The Retiree Health Savings Trust shall reimburse expenses in accordance with the Internal Revenue Code. Employees understand that changes to contributions and/or disbursements from the RHS can change at any time pursuant to federal laws and regulations.

(iii) Employees hired on or after July 1, 2011

Upon retirement, employees hired on or after July 1, 2011 shall be eligible to receive a City contribution for retiree medical in accordance with Government Code 22892. The City shall contribute an amount not to exceed the California Public Employees' Medical and Hospital Care Act (PEMHCA) contribution, as determined by CalPERS on an annual basis. The statutory minimum amount for 2014 is \$119/mo and \$122 per month for calendar year 2015.

In addition to the receipt of the CalPERS statutory minimum as provided in the previous paragraph, the City shall make available a retiree health care trust (RHS) to enable employees to prefund retiree health care expenses while employed by the City. Mandatory participation is required. The City shall match the first \$25 per pay period of the employee contribution to the RHS. The individual accounts can be utilized after separation of service for reimbursement of all qualified medical expenses, including insurance premiums, in accordance with IRS Section 213. The Retiree Health Savings Trust shall reimburse expenses in accordance with the Internal Revenue Code. Employees understand that changes to contributions and/or disbursements from the RHS can change at any time pursuant to federal laws and regulations.

VII. IRS SECTION 125 FLEXIBLE SPENDING ACCOUNT

The City provides a flexible spending account for medical expenses and dependent care, pursuant to Section 125 of the Internal Revenue Service Code (Section 125), as amended. Under Section 125, the maximum annual amount an employee may contribute for future medical and dependent care expenses reimbursement is two thousand five hundred dollars (\$2,500), exclusively.

Pursuant to Section 125, employees may contribute pre-tax earnings into these accounts. The medical expense contribution may be used for reimbursement of medical expenses such as deductibles, co-pays and expenses in excess of what insurance covers. Dependent care expenses may not be reimbursed until after they are actually incurred - i.e., after the care has been provided, and not when the participant is formally billed. Reimbursable dependent care expenses are non-health care expenses that include insuring a qualified dependent's well-being and protection. Qualified dependents are children under age 13, disabled spouses and other dependents who are physically or mentally incapable of self-care, and who regularly spend at least eight hours each day in the taxpayer's household.

Pursuant to Section 125, eligible reimbursable expenses must be incurred within the calendar year, January 1st through December 31st, and must be submitted for reimbursement no later than March 31st of the following calendar year. Receipts submitted after March 31st in the following calendar year shall be forfeited.

There are other limitations and restrictions set forth by the Internal Revenue Service.

VIII. PHYSICAL WELL-BEING

The City agrees to provide \$500 annually to each unit employee effective the first full pay period after July 1st.

The Physical Well-being benefit is recommended to be used for one (1) or more of the following purposes:

- Medical examination by the health provider of the employee's choice.
- Membership in a health club or fitness center.
- Other formal wellness programs provided by professionals (smoking cessation, weight control, nutrition, or similar programs).
- Reimbursement for employee or eligible dependent medical expenses (deductibles or co-payments) not covered by the employee's health, dental or vision insurance.

IX. CAR ALLOWANCE

In accordance with City Policy, employees shall receive a monthly stipend in the amount of \$375. This amount shall be inclusive of any mileage reimbursement owed for business related travel in personal vehicles.

X. CELL PHONE ALLOWANCE

In accordance with City Policy, employees shall receive a taxable stipend of \$60 per pay period to cover business related phone calls.

XI. TUITION REIMBURSEMENT

The City agrees to reimburse employees up to two hundred fifty dollars (\$250) per applicable accredited college unit, plus the actual costs of books, registration fees and parking permit fees. Applicable procedures and eligibility requirements shall be pursuant to Administrative Policy II-08, as amended.

XII. ON-DUTY DEATH/FUNERAL BENEFIT

In recognition of services rendered, should any employee die in the line of duty, the City will provide the family of the employee a funeral benefit of seven thousand five-hundred dollars (\$7,500).

XIII. HOURS OF WORK/ EXEMPT FROM OVERTIME

Hours of work shall be whatever is needed to successfully accomplish the operations of the department and goals/objectives of the City. All positions covered herein are considered exempt from the overtime provisions of the Fair Labor Standards Act (FLSA).

XIV. OFFICIAL PAID CITY HOLIDAYS

Official Paid City Holidays for employees shall be considered nine (9) hours leave with pay. Official Paid City Holidays occurring on an employee's regularly scheduled day off may, at the employee's discretion, be paid to the employee in the same pay period; or carried-over for use on another day, no later than June 30th of the same fiscal year.

Official City Paid Holidays shall be as follows:

- New Year's Day (The first day of January)
- Martin Luther King Day (Third Monday in January)
- Memorial Day (Last Monday in May)
- Independence Day (The fourth day of July)
- Labor Day (First Monday in September)
- Thanksgiving Day (Fourth Thursday in November)
- Friday After Thanksgiving Day
- Christmas Day (Twenty-fifth day of December)
- Any one-time special day designated by the President of the United States or the Governor of California requiring the City

offices to close in recognition of a public feast, thanksgiving or holiday.

- Any day authorized by the City Manager.
- When an Official Holiday falls on a Saturday, the Friday immediately preceding the Saturday shall be deemed to be the day of the Official Paid City Holiday.
- When an Official Holiday falls on a Sunday, the Monday immediately following the Sunday shall be deemed to be day of the Official Paid City Holiday.

XV. FLOATING HOLIDAY LEAVE TIME

Employees shall be eligible to receive forty-eight (48) hours of paid Floating Holiday leave time each July. Eight (8) of these hours have been provided in recognition of Cesar Chavez day. Floating holiday balances shall be paid on the pay period that includes June 30th and the new accrual bank will be available and eligible for use on or after July 1st.

Employees hired after July 1st shall receive pro-rated floating holiday leave time in proportion to the time remaining within the respective calendar year calculated from the first day of the month following the date of hire and June 30th of the following calendar year.

XVI. VACATION LEAVE

Vacation hours shall accrue each pay period at one twenty-sixth (1/26) of the annual accrual rate (i.e., annual accrual rate divided by 26). Exceptions to the maximum allowable accruals may be granted by the City Manager or his/her designee, to meet exceptional departmental staffing needs.

TABLE OF VACATION LEAVE BENEFITS FOR FULL TIME UNIT EMPLOYEES			
1 st thru 4 th Year	5 th thru 14 th Year	15 th thru 20 th Year	21 st Year and thereafter
80 hours	120 hours	160 hours	8 hours per year for each year of service

A. ACCUMULATION OF VACATION LEAVE

Vacation time may be accumulated by employees to a maximum of twice the annual accrual of vacation hours for which the employee is eligible. Once an employee has accrued the maximum amount of vacation leave, no further vacation leave shall be accrued until the employee's level of accrued vacation has been reduced to less than the maximum. At that time, the employee shall again begin accruing vacation but at no time may he/she accrue more than the maximum allowed pursuant to this section.

B. BI-WEEKLY PAYOFF OF EXCESS VACATION ACCRUALS – NON-PERSABLE

Vacation time which accumulates in excess of the maximum allowed shall be paid on the next regular bi-weekly paycheck, thereby bringing the employee's vacation balance to no more than the maximum allowable.

C. VACATION PAYOFF UPON TERMINATION – NON-PERSABLE

Any employee who terminates employment shall be paid (non-PERSable) for such vacation time accrued but unused as of the date of the termination.

XVII. BI-ANNUAL ACCRUAL CASH OUT ELECTION

A. ELIGIBILITY

The City shall provide unit employees' the option to cash out vacation and floating holiday leave banks. Unit employees must maintain a minimum vacation leave bank balance of forty (40) hours in order to be eligible.

B. PROCEDURE

Accrual cash outs shall only be permitted each June 1st and December 1st. Unit employees must submit a written request to the Human Resources Department prior to the end of the regular payroll deadline for that pay period. Upon proper notification, cash out elections shall be included in the paycheck for the first full pay period that includes June 1st and December 1st as requested.

XVIII. SABBATICAL LEAVE

Sabbatical Leave with pay may be approved for up to three (3) weeks by the City Manager for employees with at least ten (10) years of service for the purpose of participating in programs including but not limited to:

- Internships in conjunction with advanced degree programs;

- On-loan executive programs;
- Travel/study programs related to the employee's City responsibilities;
- Directed research pursuant to a pre-approved outline and submission of a report on a subject of benefit to the City/City employees; and/or,
- Professional development or certification programs.

Upon approval, employees shall be required to submit a report to the City Manager detailing or summarizing, as appropriate, the program or activities attended and the value gained, and will be required to share his/her experience as training for other City employees within sixty (60) days after his/her return to active duty.

XIX. SICK LEAVE

Employees shall accrue sick leave each bi-weekly pay period pro-rated on an annual basis and be credited as follows:

Sick Leave Accrual Rate		
Bi-weekly Accrual rate	Monthly Accrual rate	Annual accrual rate
3.693 hours (96 hrs / 26 pay periods)	8 hours	96 hours

A. BI-WEEKLY PAYOFF PLAN: UNUSED SICK LEAVE ACCRUAL (NON-PERSABLE)

1. When an employee has accumulated three hundred and eighty-four hours (384) hours of unused sick leave credit, the employee will, thereafter, be eligible for payment in each pay period of a portion of the unused sick leave accrued during the preceding pay period, subject to the following conditions:

TIER 1: SICK LEAVE PAYOFF AT THREE HUNDRED AND EIGHTY FOUR (384) HOURS			
Bi-weekly Accrual Rate	Tier 1 Maximum Accumulation	Amount of Bi-weekly Sick Leave Payoff @ 50% (Non-PERSable)	Amount of Bi-weekly Sick Leave Accrued @ 50%

3.693 hours	384 hours	1.85 hrs X hourly rate (1/2 [50%] of bi-weekly accrual rate of 3.693 hours)	1.85 hours
- The unit employee must maintain at least three hundred and eighty four (384) hours of sick leave accruals. - If the sick leave accrual balance falls below three hundred and eighty four (384) hours at any time, the unit employee will become ineligible for any unused sick leave payment until such time as her/her sick leave accruals again exceed three hundred and eighty four (384) hours.			

2. Employees with at least three hundred and eighty four (384) hours but less than seven hundred and twenty (720) hours of accrued sick leave may be paid for one-half (50%) of sick leave accrued and unused in each pay period as set forth in the Tier 1 table above.
3. The remaining unused sick leave in each pay period shall be added to the employee's accrual bank up to the seven hundred and twenty (720) hour maximum.
4. As an alternative to Tier 1 Sick Leave payoff, eligible employees may:
 - Elect on or before December 1 of each year not to participate in the bi-weekly payoff plan and instead accrue unused sick leave for the ensuing calendar year (January through December). However, eligible employees may only accrue to a maximum of seven hundred and twenty (720) hours ; or
 - Employees who accumulate and maintain a minimum credit of three hundred and eighty four (384) hours of unused sick leave may elect, once annually, to have a lump sum of ninety-six (96) hours of accrued sick leave paid to him/her. In order to qualify for this benefit, this time would need to be otherwise payable to the employee upon separation from employment.
5. Employees at the maximum accrual of seven hundred and twenty (720) hours will be paid for three-fourths (75%) of accrued unused sick leave in each pay period and shall forfeit the remaining accruals as set forth in the following Tier 2 table:

TIER 2: SICK LEAVE PAYOFF AT SEVEN HUNDRED AND TWENTY (720) HOURS			
Bi-weekly Accrual Rate	Tier 2 Maximum	Amount of Bi-weekly Sick Leave Payoff	Amount of Bi-weekly Sick Leave Forfeited

	Accumulation	@ 75% (Non-PERSable)	@ 25%
3.693 hours	720 hours	2.7 hrs X hourly rate (3/4 [75%] of bi-weekly accrual rate of 3.693 hours)	.92 hours

B. SICK LEAVE PAYOFF UPON RETIREMENT OR FAVORABLE RESIGNATION – (NON-PERSABLE)

With retirement or favorable resignation after 10 years (120 months) or more of City service, all accumulated sick leave accruals shall be paid off at the unit employee's base hourly rate.

C. SICK LEAVE PAYOFF UPON THE DEATH OF AN EMPLOYEE – NON-PERSABLE

Upon an employee's death, his/her beneficiaries or estate shall be entitled to receive the same accumulated leave benefit payoff as the employee would have received were he/she alive and had favorably resigned or retired.

Any payoff under this benefit is non-PERSable.

XX. PRE-RETIREMENT DISTRIBUTION OF LEAVE ACCRUALS – NON-PERSABLE

1. An employee giving irrevocable notice of his/her intent to retire within three (3) years (36 calendar months) may have accrued leaves, which are otherwise payable upon retirement, distributed in equal installments to his/her paychecks over the months preceding retirement, with a maximum duration of thirty-six (36) months.
2. Such distributions may be taken as taxable earnings, or may be used for deposit in the deferred compensation account under the terms of the Section 457 Catch-up provisions.
3. Such distributions are not reportable to PERS as compensation and will not affect PERS retirement benefits.

XXI. INJURY ON DUTY LEAVE (IOD)

A. UP TO SIX (6) MONTHS MAXIMUM SALARY CONTINUANCE

1. If an employee is injured-on-duty (IOD) and the claim is determined to be compensable, an employee may be eligible for salary continuance. Salary continuance is to be paid during the period for which temporary disability is required pursuant to Workers' Compensation Laws of the State of California, an amount which, when added to such temporary disability benefits and earnings from other employment, will equal the employee's normal base salary for the period.
2. Salary continuance payments shall be subject to normal tax deductions and other mandatory or voluntary deductions, but without deduction from sick leave or vacation leave accruals, and shall be provided for a period not to exceed six (6) calendar months from the date of the injury.
3. In no case shall such compensation be paid for a period of time in excess of the employee's continuous service immediately prior to such injury.

B. EXTENSION OF LEAVE AND SALARY CONTINUANCE

When an employee's temporary disability exceeds the six (6) calendar months of salary continuance set forth above, the City may extend this salary continuance for up to an additional six (6) months if the unit employee is not otherwise eligible for retirement, light or modified duty or disability transfer, subject to the approval of the City Manager.

C. EXHAUSTION OF SALARY CONTINUANCE

1. When an employee exhausts such salary continuance as set forth above, or is denied extension of salary continuance, he/she may elect to utilize accumulated sick leave or vacation leave accruals which, when added to temporary disability payments and earnings from other employment, will equal his/her normal base salary, subject to normal deductions.
2. When an employee's temporary disability payments stop, and he/she is still unable to return to work, he/she may elect to utilize accumulated sick leave or vacation leave accruals equal to his/her normal base salary, subject to normal deductions.

D. CITY INITIATED DISABILITY RETIREMENT

If, at any time during a temporary disability absence, the City receives medical information which indicates that the employee will not be able to return to performance of the duties of his/her position, the City may initiate disability retirement procedures.

E. LIMITATIONS

1. An employee who is absent, as a result of a compensable work related injury, for a period of time less than three days, shall have such leave deducted from sick leave credit unless temporary disability payments are required to be paid pursuant to Workers' Compensation Laws of the State of California.
2. Unit employees receiving IOD payments, salary continuance, and/or temporary disability payments:
 - a. Shall be available for follow-up treatment, diagnosis, therapy, and related matters, unless authorized to leave the area for extenuating circumstances with prior authorization from Risk Management, and
 - b. Shall be required to provide an address and phone number where they can be contacted, if they plan to be away from their residence. Shall be required to notify Risk Management immediately upon change of residence and contact information.
 - c. May not receive CalPERS service credit during the time of absence.

XXII. ADMINISTRATIVE LEAVE

In accordance with City Policy, employees shall receive ninety - six (96) hours of paid administrative leave in recognition of the leadership roles that the employees have within the City organization and that the fulfillment of their duties and responsibilities may require an extended work effort. Administrative leave time is not accrued and has no cash value.

XXIII. MISCELLANEOUS LEAVES WITH PAY

A. BEREAVEMENT LEAVE

Paid bereavement leave of up to forty (40) hours shall be provided for leave of absence due to the death of a member of an employee's immediate family.

Immediate family is defined as follows:

- Brothers
- Children
- Child's Spouse
- Grandchildren
- Grandparents
- Parents
- Registered Domestic Partner
- Siblings' Spouse
- Sisters
- Spouse
- Spouse's Brothers
- Spouse's Grandparents
- Spouse's Parents
- Spouse's Sisters
- Stepchildren
- Stepparents

If special circumstance exists wherein another person reasonably substitutes for one of the foregoing, (i.e., foster parent, legal guardian, foster child, legal ward, etc.) the employee must register that special circumstance with the Human Resources Department in writing in advance in order to qualify for the bereavement leave.

B. JURY DUTY

An employee called to serve on any jury during scheduled work days shall receive his/her regular base compensation for such time served to a maximum of ten (10) working days for each jury summons.

The employee shall forfeit jury fees to the City, but shall retain any mileage compensation provided. In the event the employee is required to serve in excess of ten (10) compensated work days, he/she may use accrued leave and retain excess jury fees for that period.

C. MILITARY LEAVES OF ABSENCE

Military leave with pay shall be granted in accordance with applicable state and federal law; and applicable City policies.

XXIV. FAMILY MEDICAL LEAVE ACT (FMLA) AND CALIFORNIA FAMILY RIGHTS ACT (CFRA)

Pursuant to State and Federal laws, employees shall be eligible for Family and Medical Leave of absence (FMLA) and California Family Rights Act (CFRA) for:

- The birth of a child of the employee;
- Disability due to pregnancy – FMLA only;
- The placement of a child with an employee in connection with the adoption or foster care by that employee;
- The care of the employee's child with a serious health condition;
- The care of a spouse or parent with a serious health condition;
- Any qualifying exigency arising out of a spouse, child or parent called to active military duty ; or
- The employee's own serious health condition.

Such leave rights apply to all employees with twelve (12) months or more service with the City prior to the leave request who have worked a minimum of 1,250 hours in the preceding twelve (12) months. The employee shall be required to use sick leave for any FMLA illness or medical-related absence, and may use vacation or other accrued leaves if sick leave has been exhausted. Upon expiration of FMLA, if the unit employee remains on leave, he/she shall be responsible for maintaining his/her insurance benefits, either by use of sufficient accrued paid leave or by payment of the required premiums.

Employees should contact the Human Resources Department for specific provisions and requirements. Failure to do so could result in a misunderstanding of rights and obligations, and could cause loss of leave benefits or loss of insurance coverage.

XXV. PREGNANCY DISABILITY LEAVE (PDL)

Pregnancy Disability Leave of up to four (4) months shall be provided to eligible employees covered herein pursuant to the Fair Employment Housing Act (FEHA). Pregnancy Disability Leave without pay shall not be granted until accrued sick leave has been exhausted.

XXVI. MAINTENANCE OF BENEFITS WHILE ON LEAVE

Employees must be paid a minimum of thirty-five percent (35%) of their regularly scheduled bi-weekly working hours to be eligible to receive City provided benefits including vacation and sick leave accruals.

Example: An employee who regularly works eighty (80) hours each bi-weekly pay period, must be paid a minimum of twenty eight (28) hours

(35% of 80 = 28) of his/her accruals when out on leave to be eligible for City provided benefits including vacation and sick leave accruals.

Employees who are not paid the minimum number of hours required shall be responsible for the payment of their insurance benefits, and shall not be eligible for vacation and sick leave accruals.

XXVII. LEAVES OF ABSENCE WITHOUT PAY

An employee may present to the City Manager for approval a request for a leave of absence without pay not to exceed one (1) year. The employee shall indicate the basis of the leave in his/her request.

Leaves of absence without pay may be granted for illness exceeding accumulated sick leave, child care absences exceeding pregnancy disability leave, special education, special duty for another governmental agency, extension of vacation time, seeking political office or any other reason which is deemed to be in the best interests of City government.

XXVIII. LEGAL DEFENSE

In the event an employee covered herein is named as an individual defendant in litigation involving conduct in his/her official capacity as an agent for the City and/or the Successor Agency to the Culver City Redevelopment Agency, the Culver City Housing Authority, the Culver City Parking Authority, and other similar bodies, the City Attorney may at his or her sole discretion, prior to recommending any settlement of the litigation to the City Council and/or the Successor Agency to the Culver City Redevelopment Agency, the Culver City Housing Authority, the Culver City Parking Authority, and other similar bodies, consult with the employee concerning the proposed settlement and present the employee's oral or written comments concerning the proposed settlement to the City Council and/or the Successor Agency to the Culver City Redevelopment Agency, the Culver City Housing Authority, the Culver City Parking Authority, and other similar bodies at any session at which the settlement is to be discussed.

APPENDIX "B"

DEFINITIONS OF "NEW MEMBER" AND "CLASSIC MEMBER" PER THE PUBLIC EMPLOYEES' PENSION REFORM ACT OF 2013 (PEPRA).

The following is provided for informational purposes only in order to assist unit employees with understanding their retirement benefits. This information is not intended to be a comprehensive overview of the benefit changes provided by PEPRA. Unit employees should contact CalPERS for specific information on how these changes may affect his or her retirement benefits.

New Member

Government Code section 7522.04(f) defines "new member" as follows:

(f) "New member" means any of the following:

(1) An individual who becomes a member of any public retirement system for the first time on or after January 1, 2013, and who was not a member of any other public retirement system prior to that date.

(2) An individual who becomes a member of a public retirement system for the first time on or after January 1, 2013, and who was a member of another public retirement system prior to that date, but who was not subject to reciprocity under subdivision (c) of Section 7522.02.

(3) An individual who was an active member in a retirement system and who, after a break in service of more than six months, returned to active membership in that system with a new employer.

Classic Member

CalPERS refers to all members who do not fit within the definition of "new member" as a classic member.