

RESOLUTION NO. 21103 (N.C.S.)

**A RESOLUTION OF THE SALINAS CITY COUNCIL AUTHORIZING THE CITY
MANAGER TO EXECUTE THE COMPENSATION PLAN
FOR DEPARTMENT DIRECTORS**

WHEREAS, the City Manager has completed negotiations with Department Directors relating to changes in their Compensation Plan; and

WHEREAS, the City Council desires to make changes to the Compensation Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF SALINAS that the City Manager is hereby authorized and directed, for and on behalf of the City of Salinas, to execute the Compensation Plan for the Department Directors; and

BE IT FURTHER RESOLVED, that the City Manager is hereby authorized to review the compensation and benefits of the individual Department Directors as a part of their annual performance evaluation, or sooner as determined at the discretion of the City Manager, to determine whether additional compensation and/or benefits are warranted and reasonable. Additional compensation and/or benefits which are outside the scope of the Compensation Plan approved by this Resolution are subject to consideration and approval of the City Council.

PASSED AND APPROVED this 13th day of December 2016, by the following vote:

AYES: Councilmembers: Barrera, Craig, Davis, De La Rosa, McShane, Villegas and Mayor Gunter

NOES: None

ABSENT: None

ABSTAIN: None

APPROVED:


Joe Gunter, Mayor

ATTEST:


Patricia M. Barajas, City Clerk

COMPENSATION PLAN
FOR
THE CITY OF SALINAS
DEPARTMENT DIRECTORS

SECTION 1 - PREAMBLE

The Department Directors' Compensation Plan has been developed and approved in recognition of their "at-will" nature of employment. The Plan is comprehensive and is designed to be competitive in the senior management recruitment and retention environment in which the directors are recruited, hired, and retained. The base salary and benefits provided are designed to recognize the unique characteristics associated with director service to the residents of Salinas. This Plan applies to any Department Director without a written employment agreement with the City of Salinas.

SECTION 2 - PAY RATES AND PRACTICES

A. Salary Schedule

Effective for the term of this Compensation Plan, base salaries will be increased as follows:

1. Two and a half percent (2.5%) effective with the payroll period inclusive of January 1, 2017.
2. Two and a half percent (2.5%) effective with the payroll period inclusive of January 1, 2018.
3. Two and a half percent (2.5%) effective with the payroll period inclusive of January 1, 2019.

B. Salary Adjustments

The City Manager may award merit step increases to Department Directors based on the director's annual performance evaluation.

SECTION 3 - BENEFITS

A. Health, Dental, and Vision Plan

Throughout 2017, the City shall continue to contribute the full amount of the premiums for PERS Choice coverage for employee and eligible dependents. The City will continue with the full amount of premiums for dental and vision plans available to City employees and eligible dependents.

Effective beginning in January 2018, the City will contribute a flat dollar amount toward monthly health benefits premiums for Department Directors equal to 95% of the PERS Choice Plan premium for the level of coverage the employee has selected. The employee shall pay for premium costs above the City contribution through payroll deductions. The City will continue to pay the full amount of premiums for dental and vision plans.

B. Biennial Physical Examination

The City will provide a Department Director with physical examination for preventive health

measures. A Department Director shall be eligible for the first such physical twenty-four (24) months from the date of regular hire and every twenty-four (24) months thereafter while he or she remains in regular employ. Employees forty (40) years of age and older shall be eligible for physical examination every eighteen (18) months.

The City will pay for usual and customary costs for the biennial office exam and for the normal associated lab work as outlined in the biennial medical exam form for the employee's occupation.

Additional testing or examination resulting from abnormal findings of the biennial exam shall be submitted by the employee to the employee's medical plan and coverage will be subject to the terms of the medical plan. When the employee is in an occupation requiring additional testing or examination because of legislation or a court of competent jurisdiction determination, coverage for such testing/examination will be provided under the biennial exam.

C. Long Term Disability

The City shall contribute to the City sponsored Long Term Disability Plan the full cost of the 60% - No maximum monthly benefit program.

D. Life Insurance

The City shall provide term life insurance in an amount of \$150,000 to each Department Director.

E. Bilingual Premium

Two hundred fifty dollars (\$250) per month shall be paid to Department Directors who routinely and consistently speak and use a language other than English in the course of his/her job duties, as determined by the City Manager; this bilingual premium is grandfathered for Department Directors receiving such premium before January 1, 2017. A Department Director who is awarded a bilingual premium on or after January 1, 2017, will be paid \$75 per pay period. This section is subject to administrative discretion.

F. Uniform Allowance

The City shall pay five hundred fifty dollars (\$550) per calendar year to the Fire Chief for uniform replacement and maintenance.

G. Deferred Compensation & Retirement Savings Plans

Department Directors shall be provided a City paid contribution to a deferred compensation plan (under Internal Revenue Code section 457) or a retirement savings plan (under Internal Revenue Code section 401(a)) based on months of service as a Department Director with the City. The payment to either plan will be provided on a biweekly basis.

The City's maximum contribution shall be adjusted annually (January 1 of each year) and set equal to the IRS 457 Deferred Compensation contribution maximum. Maximum contribution rates are based on months of employment, in accordance with the schedule maintained by the Finance Department.

The Department Director's participation in either the 457 or 401(a) plan shall be governed by the

specific regulations for that plan.

H. Retirement Benefits

1. Classic Employees

Effective for the term of this Compensation Plan, employees enrolled in the California State Public Employees' Retirement System (PERS) shall pay seven percent (7%) as the employee-paid contribution, except that the Fire Chief shall pay nine percent (9%) as the employee-paid contribution.

2. New Members

Department Directors who are defined as “new members” under the Public Employees’ Pension Reform Act of 2013 (“PEPRA”) will contribute 50% of the normal cost of his/her benefit as determined by CalPERS.

I. Management Leave

Directors shall accrue one hundred and sixty (160) hours of management leave per year.

J. Auto Allowance

The City shall pay a monthly automobile allowance of seven hundred fifty dollars (\$750) to each Department Director unless the Director is assigned a City vehicle for his/her use.

K. Physical Fitness/Wellness Program

1. Effective for costs each calendar year, the City will provide fifty percent (50%) reimbursement in January of the following year, for actual costs of participation in health club memberships for employee only, subject to the following conditions:

- Health clubs must be in the City of Salinas
- Reimbursement shall not exceed \$500 per calendar year, per employee
- Reimbursement requires the submission of actual receipts

2. Employees not participating in the reimbursement program are eligible for a voluntary physical fitness incentive program. Employees must achieve a passing score on the City of Salinas Fitness Assessment Program dated June 9, 1995, administered through Hartnell College in January of each year. Payment of a fitness premium shall be made in February of each year as follows:

Level 4 - \$500
Level 5 - \$750
Level 6 - \$1,000

L. Severance

Department Directors may be terminated at will, in the discretion of the City Manager. Upon

termination, Department Directors shall be eligible for one (1) month of base salary severance for each full year of employment with the City of Salinas, up to a maximum of six (6) months of salary. The severance benefit shall not be provided to Department Directors who voluntarily resign or are separated from City employment "for cause."

M. Retiree Health Savings

The City shall institute a qualified Retiree Health Savings Plan for Department Directors if requested to do so by the Directors. The City shall not participate financially in any funding of the Plan.

SECTION 4 - LEAVE PROVISIONS

A. Holidays (8 hours per day)

- | 1. Fixed Holidays | Date |
|---------------------------|-----------------------------|
| New Year's Day | January 1 |
| Martin Luther King | Third Monday in January |
| Lincoln's Birthday | February 12 |
| Presidents Day | Third Monday in February |
| Memorial Day | Last Monday in May |
| Independence Day | July 4th |
| Labor Day | First Monday in September |
| Veterans Day | November 11 |
| Thanksgiving Day | Fourth Thursday in November |
| Friday after Thanksgiving | Day after Thanksgiving |
| Christmas Eve | December 24 |
| Christmas Day | December 25 |
2. Two (2) floating holiday per year.
3. Every day appointed by the President or Governor for a public day of mourning, Thanksgiving, or holiday, when ratified by the Mayor or the Salinas City Council.

B. Annual Leave

1. Annual Leave shall be as provided in the Personnel Manual.

1st through 5th year	22 days per year	176 hours per year
6th through 10th year	27 days per year	216 hours per year
11th through 15th year	29 days per year	232 hours per year
16th through 17th year	30 days per year	240 hours per year
18th through 19th year	31 days per year	248 hours per year
20th through 24th year	32 days per year	256 hours per year
25th through retirement	33 days per year	264 hours per year

C. Bereavement Leave

Department Directors shall be entitled to four (4) days of leave with pay for a death in the family.

Up to five (5) days of leave with pay may be authorized to a Department Director who travels out of the state to attend the funeral of the deceased family member. All provisions of the Personnel Manual regarding Bereavement Leave shall apply.

Family member includes:

Husband	Mother-in-Law	Grandchild
Wife	Father-in-Law	Step-Mother-in-Law
Father	Sister-in-Law	Step Father-in-Law
Mother	Brother-in-Law	Step Brother/Sister
Child	Legal Guardian	Aunt
Brother	Step-Child	Uncle
Sister	Step-Father	Registered Domestic Partner
Grandparent	Step-Mother	

D. Family & Medical Leave

In accordance with the California Family Rights Act and the Federal Family and Medical Leave Act, the City of Salinas Family & Medical Leave Policy is detailed in the Administrative Memorandum 94-1, as amended.

SECTION 5 - TERM

The term of this Compensation Plan shall commence January 1, 2017, and shall continue in force until amended.