



BENEFITS SUMMARY

KEY & MANAGEMENT COMPENSATION PLAN (K&M)

Term: January 1, 2022 through December 31, 2025

This summary is for informational purposes only and is not binding. For a complete explanation of all benefits and compensation, benefit eligibility, and restrictions, refer to the current Compensation Plan and the Employee Policy Manual.

K&M Group consists of five groups: Executive Management, Administrative Management, Administrative Management (Safety), Division Management, and Confidential.

COMPENSATION

Salary Adjustments:

Non-Safety and Assistant Fire Chief: January 2022 – 2%; January 2023 – 3%; January 2024 – 3%; January 2025 – 3%

Administrative Management (Safety): Assistant Police Chiefs align with PMA; Assistant Chief, Lifeguard Operations, aligns with LMA.

Executive Safety (Police and Fire Chiefs): See employee agreements/contracts.

FLSA Overtime: Non-exempt employees earn overtime for actual work hours in excess of 40 in their defined FLSA workweek.

Contract Overtime: Non-exempt employees are eligible for contract overtime. Holiday Pay (or Holiday to Flex Leave) is included in the 40-hour calculation for contract overtime. No other paid leaves count towards the 40-hour calculation.

Overtime Rate: Both FLSA and Contract Overtime are paid at time and one half (1.5) and are calculated using the regular rate of pay, except Contract Overtime calculations do not include any funds associated with the Cafeteria Plan allowance (cash back, opt-out cash).

Compensatory Time Off: Non-exempt members may receive Compensatory Time Off in lieu of cash for each overtime hour at the rate of one and one half (1.5) hours.

Bilingual Pay: \$150 per month upon approval of the Department Director. Testing is required.

One-Time Payment: All K&M employees in paid status for the entirety of the pay period following City Council adoption of this Compensation Plan shall receive a one-time payment of \$2,000.

LEAVES

Flex Leave¹: Non-executive, non-safety employees shall accrue Flex Leave based on years of continued service at the following rates:

Years of Service	Biweekly Hours	Annual Hours	Accrued Hour Limit
1 but less than 5	6.00	156.00	468.00
5 but less than 9	6.61	171.86	515.58
9 but less than 12	7.23	187.98	563.94
12 but less than 16	8.15	211.90	635.70
16 but less than 20	8.77	228.02	684.06
20 but less than 25	9.38	243.88	731.64
25 and over	10.00	260.00	780.00

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Regular full-time employees in the **Executive Management** category will accrue Flex Leave at the following rates:

Years of Service	Biweekly Hours	Annual Hours	Accrued Hour Limit
1 but less than 15	8.77	228.02	684.06
15 and over	9.69	251.94	755.82

Public Safety employees may accrue Flex/Sick Leave based on prior agreements.

Holidays: There are 12 holidays observed per year, which include: New Year's Day, Martin Luther King Jr. Day, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving, Friday after Thanksgiving, Christmas Eve (½ day), Christmas, and New Year's Eve (½ day).

In addition to the holidays observed, eligible employees receive eight (8) hours for a "floating holiday" credited to their Flex Leave bank during the pay period which includes July 1.

Safety employees: Safety employees who are normally required to work without regard to holidays receive 3.7 hours of Holiday Time biweekly.

Bereavement Leave: Forty (40) hours of paid leave for the necessary absence due to the death or terminal illness of an immediate family member. See MOU for list of qualifying family members.

Administrative Leave: Exempt employees may receive a minimum of 8 hours and a maximum of 80 hours of Administrative Leave each calendar year. Hours are determined by the Department Director with approval by the City Manager. The hours may not be transferred to any other bank, and the hours have no cash value and cannot be carried over year to year.

¹ The City complies with the IRS Title 26 CFR § 1.451-2 Constructive Receipt of Income with regard to Flex Leave pay out.

BENEFITS

Cafeteria Plan: Employees participating in the City's medical plans receive a monthly cafeteria allowance of \$1,725 (plus the CalPERS medical premium contribution) to cover the costs of health premiums. If the cafeteria allowance exceeds the premium amounts, employees will receive the difference in taxable cash. Employees hired on or after April 13, 2019 are ineligible to receive the difference in taxable cash.

Opt-out: Eligible employees receive \$1,000 per month as taxable cash back. Employees hired on or after April 13, 2019 receive \$500 per month as taxable cash back.

Life Insurance: City paid policy up to \$50,000 in coverage based on annual salary.

Disability Insurance: City-paid benefit.

	<u>Short-Term Disability (STD)</u>	<u>Long-Term Disability (LTD)</u>
Benefit Amount	66.67% of covered wages	66.67% of covered wages
Maximum Benefit	\$1,846 a week	\$15,000 monthly
Waiting Period	30 calendar days	180 calendar days

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Employee Assistance Program (EAP): The EAP provides confidential counseling, education and referral on work and life issues at no cost to the employee; subject to provider guidelines.

Tuition Reimbursement: Maximum tuition reimbursement is \$2,000 per fiscal year.

Executive Management Physicals: Executive Management staff members receive reimbursement up to \$1,000, annually, for a wellness physical.

Auto Allowance: Executive and Administrative Management positions may be eligible for an auto allowance between \$200 to \$400 per month.

Retirement Benefits: The City contracts with the California Public Employees Retirement System (CalPERS) to provide retirement benefits and has implemented first, second and third tiers. CalPERS makes the final decision as to which tiered benefit an employee will receive.

Non-Safety Member Contributions: 11.5%*

*Effective the pay period that includes January 1, 2023, member contributions are temporarily reduced from 13% to 11.5%. This reduction will sunset at the end of the last full pay period in December 2024.

Tier I (Legacy 2.5%@55): Members contribute 11.5% of the total net employee rate, which is 8% employee rate and 2.42% employee rate modifier, and 1.08% towards the employer rate.

Tier II (Classic 2%@60): Members contribute 7% of the total employee rate and 4.5% towards the employer rate.

Tier III (PEPRA 2%@62): The minimum required member contribution for Tier III employees is subject to change based on the annual PERS valuation. The employee rate may increase or decrease as provided by CalPERS; the City adjusts the employee rate and adjusts the employer rate contribution so that the total member contribution aligns with Tiers I and II members.

The Safety employees in K&M align their CalPERS contributions with the management association for their position's classification. E.g. The Assistant Police Chiefs' CalPERS contribution aligns with the Police Management Association's negotiated contribution. See correlating MOU.

LIUNA: Employees participate in a LIUNA Plan (Laborer's International Union of North America), which is a supplemental defined benefit retirement plan. Benefit payouts are based on age at retirement and years of service. Employees pick up the entire cost for this benefit.

RETIREE MEDICAL PLANS

Retiree Health Benefits Program: The City participates in a Retiree Health Savings (RHS) defined contribution plan with contributions paid by both the City² and the employee. Employees hired prior to January 1, 2006, and whose age and years of services totaled 50 (46 for public safety) or more, were enrolled in either the fully-converted plan or hybrid plan. Employees hired on or after January 1, 2006 participate in the fully-converted plan. Please refer to the K&M Compensation Plan (K&M Comp Plan) for full details.

FULLY-CONVERTED PLAN
(Categories 1 and 2)

HYBRID PLAN
(Category 3³)

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I. Employee payments to City to support program prior to retirement:

None

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\$100 per month until retirement

II. Contributions to employees' accounts during employment:

1. Part A: 1% salary contribution (employee).
2. Part B ²: \$2.50 per month for each year of service plus age (City).
3. Part C: Cash from leave conversion at retirement (see Comp Plan for amount).
4. For Category 2 participants only: Lump payment upon retirement of \$100 for every month paid into the previous defined benefit plan, prior to January 1, 2006, up to 180 months (City).

II. Contributions to employees' accounts during employment:

1. Part A: 1% salary contribution (employee).
2. Part B: No City contribution.
3. Part C: Cash from leave conversion at retirement (see Comp Plan for amount).
4. Lump payment upon retirement of \$75 for every month paid into the previous defined benefit plan, prior to January 1, 2006, up to 180 months (City).

III. City contributions to employees' RHS account after retirement:

None.

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\$400 per month.

² Employees vest in the program after 5 years of continued, full-time service. Once an employee vests, the City deposits the amount accumulated during the five-year waiting period and begins the monthly contributions.