

COMPENSATION PLAN
FOR
CITY OF LOMPOC
UNREPRESENTED EMPLOYEES



Effective ~~June 16, 2009~~ August 2, 2011

COMPENSATION PLAN FOR CITY OF LOMPOC UNREPRESENTED EMPLOYEES

The current Compensation Plan for Unrepresented Employees is as follows:

ARTICLE 1

SALARIES AND COMPENSATION

1-1 Cost-of-living Increase:

Furlough Days

Upon adoption of this Compensation Plan through June 15, 2012, an employee hired prior to July 1, 2011 or until such time as the City can affect a change in its CalPERS contract implementing a second tier, shall be assigned ten and a half (10.5) unpaid furlough days (the total equivalent of eighty-four (84) work hours). Prior to March 1, 2012, and with two weeks notice to their immediate supervisor, employees may request unpaid furlough hours/days. Requests must be made in a minimum of four (4) hour increments and shall be granted based on the operational need of the department/division. An employee who fails to schedule off the required amount of unpaid hours/days by March 1, 2012, shall be unilaterally assigned such remaining hours/days by the department/division prior to June 15, 2012.

~~During the period June 20, 2009 through June 18, 2010 an employee shall be assigned thirteen (13) unpaid furlough days (the total equivalent of one hundred and four (104) work hours). Prior to April 1, 2010, and with two weeks notice to their immediate supervisor/superior, employees may request unpaid furlough days. Requests must be made in a minimum of four (4) hour increments and shall be granted based on the operational need of the department/division. An employee who fails to schedule off the required amount of unpaid vacation by April 1, 2010, shall be unilaterally assigned such remaining days by the employee's immediate supervisor/superior prior to June 18, 2010.~~

During the second period June 16, 2012 through June 14, 2013, an employee hired prior to July 1, 2011 or until such time as the City can affect a change in its CalPERS contract implementing a second tier, shall receive eight (8) unpaid furlough days (the total equivalent of sixty-four (64) work hours). Prior to March 1, 2013, and with two weeks notice to their immediate supervisor, employees may request unpaid furlough hours/days. Requests must be made in a minimum of four (4) hour increments and shall be granted based on the operational need of the department/division. An employee who fails to schedule off the required amount of unpaid furlough hours/days by March 1, 2013, shall be unilaterally assigned such remaining days by the department/division prior to June 14, 2013.

~~During the period June 19, 2010 through June 17, 2011 an employee will receive thirteen (13) unpaid furlough days (the total equivalent of one hundred and four (104) work hours). Prior to April 1, 2011, and with two weeks notice to their immediate supervisor/superior, employees may request unpaid furlough days. Requests must be made in a minimum of four (4) hour increments and shall be granted based on the operational need of the department/division. An employee who fails to schedule off the required amount of unpaid furlough days by April 1, 2011 shall be unilaterally assigned such remaining days by the department/division prior to June 17, 2011.~~

An employee may not use/substitute paid leave (e.g., ATO, vacation, etc.) to cover the above-unpaid time off.

Part-time/job share employees shall be assigned a pro-rated number of unpaid vacation or unpaid hours in each of the above periods which shall be subject to the above scheduling requirements.

Miscellaneous employees hired on or after such time as the City can affect a change in its CalPERS contract implementing a second tier wherein they will be paying all of the Employee Member Paid Contribution, will not be required to take furlough time off.

1-2 Bilingual Pay: Individuals determined to be qualified by the City will be eligible for \$100 per month bilingual pay. Employees with both oral and written bilingual skills shall receive \$140 per month bilingual pay. Qualifications for this pay shall be based on regular use of bilingual language skills in their capacity as an employee. Further, employees will be required to pass a City-administered proficiency exam to qualify and may be retested annually. The City will determine which positions will qualify and which languages will be included in this program.

1-3 ATO Time: (Non-exempt employee eligible for overtime) An eligible employee may, at his/her option, be compensated at the end of the payroll period in which it is earned for overtime either in the form of pay or compensatory time off for overtime earned and accrued up to a maximum of sixty-four (64) hours. Overtime in excess of sixty-four (64) hours will be compensated for in pay.

Eligible employees may be paid for a maximum of forty (40) hours of accrued compensatory time off by providing notice to the Human Resources Office on the form provided by the City for this purpose.

If an employee promoted from a non-supervisory or non-exempt classification to a supervisory exempt classification any accumulated compensatory time shall be taken prior to appointment if possible. If this is not possible the compensatory time shall be paid out during the first pay period following promotion or transfer.

ARTICLE 2

HEALTH AND WELFARE BENEFITS

2-1 The City will continue to pay health and dental premiums at its current contribution rate for regular status full time employees.

	CITY COSTS HEALTH Effective 1/1/09 11			COSTS DENTAL Effective 7/1/09 11
	Flex Credit Contribution	Direct Contribution to PERS	Total City Contribution	Total City Contribution
One Party	\$270.37 \$263.37	\$101.00 \$108.00	\$371.37*	\$14.64
Two Party	\$640.76 \$633.76	\$101.00 \$108.00	\$741.76*	\$27.47
Family	\$865.13 \$858.13	\$101.00 \$108.00	\$966.13*	\$43.23
Employee/Children	N/A	N/A	N/A	\$29.39

*Includes vision hardware plan costs

The City participates in the PERS Health Benefit Program, with the “unequal contribution option” at the PERS minimum direct contribution rate. For year 2009**11**, the PERS minimum contribution rate for active employees is ~~\$101.00~~ **\$108.00** per month with the balance as a flexible credit allocation.

In converting to the PERS Health Program the benefit contribution will be based on the City’s primary health provider and vision hardware plan. The City will provide a direct health insurance contribution which is annually adjusted based on the rules outlined by the California Public Employees Retirement Law, § 22892 and the balance will be in a flexible credit allocation in a flexible benefit plan. The amount of the direct health insurance contribution will increase as outlined in the California Public Employees Retirement Law, § 22892 until such time as the contribution for active employees and retirees are equal.

The PERS Health Program plan year is from January 1 through December 31. Premiums will be deducted the month in advance consistent with the existing health insurance plan.

2-2 The City will contribute the benefit amount identified above. The flexible credit amount will be used within a flexible benefit (“cafeteria”) plan in which employees will enroll. Employees will pay a monthly processing fee for the cafeteria plan administrator’s services. An additional fee will be charged to those employees who also elect to have a medical reimbursement account or a dependent care reimbursement amount. Increases in such fees shall be the employee’s responsibility.

2-3 Eligible regular status part-time employees (“job share” / part-time employees in permanent budgeted positions working less than full-time) shall receive a prorated City contribution for health and dental based on the proportional hours worked per week in relation to a full-time 40-hour work schedule. For example, regular status part-time employee working a 20-hour per week work schedule will receive one-half of the City premium contribution provided to full-time regular status employees.

Example: For year 2009 a 20 hour per week employee enrolling in one party coverage will receive a \$101.00 per month direct health contribution and a prorated flexible credit (50% of full time benefit allocation less \$101.00 – 20 hour/week employee flexible credit) or the composite health and vision hardware insurance.

2-4 Employees on a leave of absence without pay due to a work related injury or illness will have their health insurance premiums paid subject to the following:

- (a)** During the first three (3) months, the City will pay 100% of the total City group health insurance premium, including employee’s share.
- (b)** During months four (4) through six (6), the City will pay 50% of the City group health insurance premium and the employee will pay 50%.
- (c)** During the seventh (7th) month and thereafter, the employee will pay 100% of the City group health insurance premium.
- (d)** The City will continue to provide dental and employee assistance program premium contributions at the active employee rate for current level of coverage when the employee meets eligibility criteria for the federal Family and Medical Leave Act.

2-5 Employees on a leave of absence without pay due to a non-job related illness or injury, who meet eligibility criteria under the federal Family and Medical Leave Act, will continue to have their health, dental, and the employee assistance program premiums paid by the City at the active employee rate for 12 weeks or 3 months, whichever is greater. This benefit may be used once every 12 months measured forward from date leave is first used. The employee must have

completed a minimum of one year of regular status service and 1,250 hours the preceding year in a permanent position to qualify.

2-6 The City will provide optional continuation of health insurance benefits to eligible employees separating from City service according to the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

2-7 Retiree Health and Dental Insurance - The City will offer extended health and dental insurance coverage to retirees who meet the current eligibility standard and retired after December 15, 1990.

The amount of City participation will be based upon the City's primary health/dental plan provider.

Criteria:

Current standards for eligibility for retiree health and dental benefits are as follows:

- (a) Employees must be covered by the City group health insurance program at the time of retirement.
- (b) Employee must have a minimum of ten consecutive years of full-time permanent service with the City of Lompoc and are at least 50 years of age.
- (c) Employees eligible for a PERS Disability Retirement with a minimum of 20 consecutive years of full-time permanent service with the City of Lompoc, regardless of age.
- (d) Benefits will be as similar as possible to those offered under the active employee plan.
- (e) Coverage for retired employees and dependents will cease when the employee reaches age 65 or becomes eligible for Medicare. Coverage for dependents will also cease when the retiree becomes ineligible for continued coverage or the dependent reaches age 65 or becomes eligible for Medicare.
- (f) In the event of the death of a retired City employee who is covered under this program or other qualifying event, any dependent will be allowed to continue existing coverage for 18 or 36 months payable at 102% of the full premium in accordance with the Consolidated Omnibus Budget Reconciliation Act (COBRA) regulations.

- (g) If a retired employee is ineligible for Medicare benefits because the City of Lompoc did not participate in the Social Security system, the retired employee will be removed from the City health plan at age 65 and he/she will be reimbursed for the cost of part A Medicare premiums.
- (h) City participation towards the cost of the coverage will be computed based upon the following formula:

Percentage	Years of Service
50%	15
52.5%	16
55%	17
57.5%	18
60%	19
62.5%	20
65%	21
67.5%	22
70%	23
72.5%	24
75%	25

- (i) After 10 years service with the City of Lompoc, employees will receive 50% credit for prior service with another qualifying public agency toward the City's current requirement for retiree health and dental benefits.

Example:

City of Lompoc Service	10 Years
City Santa Maria Service	<u>15 Years</u>
Total credit for the purpose of current retiree health and dental benefits	17.5 Years

- (j) **City of Lompoc Service Credit.** For the purpose of vacation and retiree health and dental insurance, employees shall receive City of Lompoc Service credit if they return to City employment after a separation of less than two (2) years.

Employees shall receive credit for temporary employment with the City toward service years for vacation accrual and retiree health and dental. Vacation entitlement would be applied retroactively to the 1st of the year.

For retirees, PERS minimum contribution rate is based on rules outlined by California Public Employees Retirement Law, § 22892(c) with the balance as a flexible credit allocation. In accordance with California Public Employees

Retirement Law, § 22892(c), the City's minimum contribution toward retirees shall be increased annually until such time as the contribution for active employees and retirees are equal.

Retirees who meet current Unrepresented Compensation Plan eligibility standards for City health contribution (retired after December 15, 1990 and at least 50 years of age) shall be eligible to receive a benefit contribution under the health plan until age 65. Such retirees shall receive a 50% contribution with 15 years of service, increasing by two and one-half percent (2½%) for each year of service up to the maximum 75% contribution at 25 years (as detailed above).

The flexible credit allocation will be adjusted to provide a total contribution not to exceed the contribution specified in the Unrepresented Compensation Plan. Retirees will pay a monthly processing fee for the flexible benefit administration.

Employees who retire on or after July 1, 1990 with a minimum of 15 years of continuous service with the City, and retired employees, who on July 1, 1990 are members of the City's Health Insurance Plan, will be reimbursed up to \$100 per month for Medicare Supplement Insurance when eligible for Medicare coverage. Reimbursement may be made for a spouse's Medicare supplement, however, the total reimbursement for retiree and spouse may not exceed \$100.00 per month.

- 2-8 Life Insurance:** The City agrees to continue to provide at its cost life insurance coverage equivalent to one times annual salary for regular full-time employees and job share or regular part-time employees in permanent budgeted positions covered by this compensation plan.

The City reserves its right to determine the provider of life insurance.

- 2-9 Long-Term Disability Insurance:** The City agrees to provide at its cost a long-term disability plan, with a maximum benefit of \$3,000 based on maximum insured salary of \$4,500 per month for regular full-time employees and job share or regular part-time employees in permanent budgeted positions.

The City reserves its right to determine the provider of long-term disability insurance.

- 2-10 Flexible Spending Account:** The City will provide a Flexible Spending Account program (tax deferred employee contribution) that can be applied to specific expenses, e.g. childcare, medical expenses not covered by insurance plan, and orthodontic work).

ARTICLE 3

SICK LEAVE

- 3-1** Twelve days per year with unlimited accumulation is provided for the employees.
- 3-2** Effective December 15, 1990, regular full-time employees will be eligible to use 4 days per year of their accumulated sick leave when dependent children are ill. This policy will also apply when a spouse or parents are ill. [NOTE: State law provides that 50% of annual sick leave accrual may be used for family sick leave to attend to illness of child, parent, or spouse.]
- 3-3** Full-time employees shall accumulate 3.692 hours of sick leave credit for every completed bi-weekly payroll period. Job share and regular status part-time employees who occupy a budgeted position will accrue sick leave on a pro-rated basis determined by the number of hours worked.
- 3-4** Sick leave, except for pre-approved doctors appointments that require a partial days absence, shall not be counted as time worked for the purpose of overtime calculation.
- 3-5** A Catastrophic Leave Donation Policy provides for the transfer of vacation leave or holiday leave time, from one employee to an employee with a serious catastrophic illness who has exhausted all leave balances, subject to a maximum credit of 520 hours.

A serious or catastrophic illness or injury is defined as an adverse medical condition in which a physician has verified that an employee will be absent from work for more than 20 consecutive work days.

- 3-6 Family Sick Leave:** Regular full-time employees will be eligible to use up to 50% of their annual sick leave accrual to care for a dependent child, spouse or parent due to illness.

If an employee has an accrued balance of 24 days (192 hours) of sick leave, he/she shall be eligible to use one additional day (for a total of 7 days) for family sick leave. The accrued balance will be evaluated based on the pay period prior to the family sick leave use.

Eligibility for family sick leave use based on accrued sick leave balance will be as follows:

Sick Leave Balance		Family Sick Leave Eligibility	
6+ Days	48 Hours	6+ Days	48 Hours
24	192	7	56

36	200	8	64
48	384	9	72
60	480	10	80
72	576	11	88
84	672	12	96

3-7 Sick Leave Incentive: Employees with a minimum of one (1) year full-time or part-time budgeted regular, and job share status employment shall be eligible for an annual payment of \$300, if their sick leave utilization for the calendar year (prior 12 months) is three equivalent regular work days or less. The payment shall be calculated after the first pay period ending in December. It will be paid on the second pay period ending in December.

ARTICLE 4

VACATION LEAVE ACCRUAL

Full-time regular status employees who have served more than six months in the City service shall be eligible for vacation leave with pay. Vacation credits will be granted to such employees who have worked less than six months upon receiving a permanent appointment. Job share or regular part-time employees occupying a budgeted position will be credited vacation on a pro-rated basis determined by the number of hours worked. Other eligible employees who work less than full-time, but more than 1040 hours during a fiscal year shall be credited vacation on a prorated basis on hours in excess of 1040. Vacation Leave Benefits will accrue to full-time, regular status employees on the following schedule:

Years of Service:	Days/Year accrual:
1-5	10
6	11
7	12
8	13
9	14
10	15
11	16
12	17
13	18
14	19
15	20
16 & over	21

Part-time, temporary service in an established classification shall be credited on prorated basis toward service time for vacation accrual rate, as long as no break in service. Employees reinstated within 24 months after resigning from City service shall be credited with their prior service time for determining their vacation accrual rate.

ARTICLE 5

PERS RETIREMENT BENEFITS

5-1 The City provides for those employees hired prior to July 1, 2011 or until such time as the City can affect a change in its CalPERS contract implementing a second tier, the **One Year Final Compensation (Section 20042)** PERS retirement benefit to miscellaneous PERS classifications represented by this compensation plan.

Miscellaneous employees hired on or after July 1, 2011 or at such time as the City can affect a change in its CalPERS contract implementing a second tier, shall have their retirement base calculation based upon their final three year average of compensation.

5-2 The City provides the PERS benefits **Credit for Unused Sick Leave (Section 20965)**.

5-3 **Military Service Credit As Public Service (Section 21024)**

5-4 **Post-Retirement Survivors' Allowance to Continue After Re-marriage (Section 21635)**

5-5 **1959 Survivor's Benefit - Third Level (Section 21573)** increases maximum monthly benefit from \$430 to \$840 per month. This benefit applies to pre-retirement survivor's (spouse and dependent children).

5-6 For Miscellaneous PERS members, Employer Paid Member Conversion to ~~Final Pay Rate~~ in accordance with Government Code Section 20636(c) and California Code of Regulations Section 571(a). (By Resolution Method).

5-7 **PERS Member Contributions:**

~~After approval of this Compensation Plan and concurrence of other bargaining units with miscellaneous PERS members to this plan benefit, Miscellaneous PERS member employees shall be provided the 2.7% at age 55 formula plan benefit. The eight percent (8%) "employee" contribution shall be paid by the City.~~

Miscellaneous member employees hired prior to July 1, 2011 or until such time as the City can affect a change in its CalPERS contract implementing a second tier, shall receive the "2.7% at age 55 Full Formula" (Government Code Section 21354.5) benefit.

Effective the first pay cycle after adoption of this Compensation Plan, Miscellaneous member employees hired prior to July 1, 2011 or until such time as the City can affect a change in its CalPERS contract implementing a second tier, shall be required to pay one percent (1%) of the employee paid members contribution (EPMC) and will have the option to have a salary adjustment in the form of a deferred income payment for their member contribution. Likewise, effective pay period beginning June 16, 2012, those employees shall be required to pay a total of two percent (2%) of the EPMC.

Miscellaneous member employees hired on or after July 1, 2011 or at such time as the City can affect a change in its CalPERS contract implementing a second tier, shall receive the "2% at age 60 Full Formula" (Government Code Section 21353) benefit. Likewise, they shall have their retirement base calculation based upon their final three year average of compensation and pay the entire EPMC in an amount defined by statute (currently seven percent (7%)).

ARTICLE 6

HOLIDAYS

6-1 Regular full-time employees shall be eligible for the following paid holidays:

- January 1
- Third Monday in January (Martin Luther King Day)
- Third Monday in February
- Last Monday in May
- July 4
- First Monday in September - Labor Day
- November 11
- Thanksgiving Day
- Friday following Thanksgiving Day
- December 24
- December 25
- One Floating Holiday

Any public holiday(s) which may be proclaimed by the President or Governor and City Council of the City of Lompoc.

When a holiday falls on a Saturday, the preceding Friday shall be observed. When a holiday falls on a Sunday, the following Monday shall be observed.

**If December 24th
is on**

Wednesday
Thursday
Friday
Saturday
Sunday
Monday
Tuesday

**Holiday Observed
on**

Friday
Thursday
Thursday
Friday
Tuesday
Monday
Tuesday

6-2 Holiday Accrual/Pay-Off: Holiday accrual in excess of 64 hours will be compensated for in pay. In addition, employees may be paid for a maximum of 30 hours accrued holiday time-off by providing notice to the Human Resources Office on appropriate forms. Compensation shall be determined by multiplying the number of hours for which compensation is requested by the employee's regular hourly wage. The required notice by the employee must be given between October 1 and 15 of each year and will be paid on the first payday in November.

Holiday hours paid to employees shall be paid at the regular hourly rate current during the time of payment.

ARTICLE 7

ACTING PAY

7-1 Qualifications:

- a. Any person temporarily appointed to serve in a higher level classification and who performs the essential functions of that classification continuously for 10 work days, or 80 hours of working on a compressed work schedule, shall receive the compensation established for the higher classification retroactive, back to and including the first work day.
- b. Holidays which fall during the ten (10)-day qualifying period prior to establishing eligibility for "Acting Pay" shall be counted as a workday for purposes of meeting the 10-day time line.
- c. Employees absent during the qualifying 10 workday periods shall receive credit for those days worked prior to the absence if he/she returns to higher position on the first day back to work. If the employees returns to work in their regular classification and is reassigned to a higher-level classification at a future date, a new 10-day qualifying period must be met.

Absences due to illness or an injury of less than four hours for eight-hour work days (or 4½ hours for 9-hour days; 5 hours for 10-hour work days) will be counted as a day worked for purposes of the qualifying 10-day period.

ARTICLE 8

BEREAVEMENT LEAVE

Regular full-time employees are entitled to up to five (5) days paid leave to attend or arrange for the funeral of the following immediate family members (whether by kindred or affinity): spouse, son, daughter, father, mother, guardian, brother, sister, grandfather, grandmother and grandchildren. The City Administrator or his designee shall determine the length of such leave with due regard for the relationship of the deceased to the employee and necessary travel, if any. In no event shall such leave exceed five days.

ARTICLE 9

RECREATION FACILITIES

The City will allow employees represented by this compensation plan to use City recreation facilities during regular business hours at no charge to the employee. This will include the weight room, sauna, and the swimming pool during lap swimming and general public swim. Employees will comply with all registration requirements and rules and regulations of the facilities used. Employees will utilize these City facilities during their time off from work.

ARTICLE 10

DRUG AND ALCOHOL TESTING REQUIREMENTS

Effective January 1, 1995 employees in positions necessitating commercial drivers licenses are subject to the alcohol and drug testing rules published by the Federal Highway Administration and the U.S. Department of Transportation on February 15, 1994.

ARTICLE 11

TUITION REIMBURSEMENT

The City will provide tuition reimbursement for college courses in accordance with Personnel Procedures Manual Chapter 43 "Tuition Reimbursement for College/University Courses." In addition, the City will provide community college

students up to 100% tuition reimbursement and 100% reimbursement for required course books per semester. (Course syllabus and receipts identifying books purchased are required for books).

ARTICLE 12

PRE-EMPTIVE LAWS

It is understood and agreed that this Compensation Plan for the City of Lompoc Unrepresented Employees is subject to all current and future applicable federal and state laws, city ordinances and federal and state regulations. If any part or provision of this Compensation Plan is in conflict or inconsistent with such above applicable laws, rules and regulations or is otherwise held to be invalid or unenforceable by any tribunal of competent jurisdictions, such part or provision shall be suspended and superseded by any such applicable law or regulations and the remainder of the Compensation Plan shall not be affected thereby.

ARTICLE 13

TERM

It is understood that the terms and conditions contained in the Compensation Plan, and any subsequent amendments, are in effect until such time thereafter that the City Council shall adopt a new Compensation Plan for Unrepresented Employees.