EXHIBIT A

CITY OF SANTA BARBARA

MANAGEMENT

PERFORMANCE

& COMPENSATION

PLAN

(REVISED APRIL 22, 2025)

Management Performance and Compensation Plan

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SECTION I – GENERAL PROVISIONS

1. BACKGROUND

Through an ongoing series of revisions this plan continues to effectively direct the evaluation and compensation of the City's management employees.

This Management Performance and Compensation Plan emphasizes the need for a high level of performance by managers and provides adequate incentives and rewards for said performance. This plan recognizes that:

- Managers are not extended technicians, but rather are individuals with the unique responsibility for analyzing and synthesizing the input of subordinates, peers, and the public in making decisions regarding the allocation of human and financial resources for which they should be held accountable; and
- A compensation plan for management should not just provide a financial gain for employees but should also create direct benefits to the City organization and the public it serves.

The overall objective of the plan is to establish regularly utilized, practical, and uniform performance measurements and related compensation procedures.

2. PARTICIPANTS

Management positions, subject to the Management Performance and Compensation Plan, are regular (not hourly) positions designated as Management in the adopted Position and Salary Control Resolution.

Some provisions of the Management Performance and Compensation Plan are applicable only to Police Safety Management and Fire Safety Management employees, and these are included in the designated “Special Provisions” section of this document.

Professional Attorneys are defined as the City Attorney, Assistant City Attorney III, Assistant City Attorney II, Assistant City Attorney I, and the Deputy City Attorney. The COLAs and benefits provided under this Compensation Plan apply to professional attorneys as specifically provided in the Professional Attorneys Compensation Plan adopted by the City Council.

The Management Performance and Compensation Plan will be amended, as necessary, to include changes to compensation and benefits.

3. COMPENSATION PLAN FUNCTION

The primary function of the Management Performance and Compensation Plan is to regularly review and assess the City's compensation practices, carefully analyze labor market data and internal salary relationships among the various classes of work and,

based on this analysis, assign a salary range to each classification and recommend modifications to the City's approach to compensation, as needed. This provides an integrated salary plan for all of the City's management classifications.

4. GOALS OF MANAGEMENT COMPENSATION PLAN

The main goal of the Management Compensation Plan is to attract and retain quality managers for service with the City of Santa Barbara. The compensation package is designed to deal effectively with the demand of the labor market and to keep up with the cost of living.

Individual City management employees should perceive the plan as recognizing personal performance, being motivational, and being consistently applied City-wide without regard to age, ancestry, color, mental or physical disability including HIV and AIDS, gender identity and expression, marital status, medical condition, national origin, race, religious belief, or sexual orientation. The Management Compensation Plan should be seen as flexible, rewarding exceptional performers, and allowing for the hiring of individual managers above the entry level as necessary. The plan should be clearly understood by all City management employees and have participant acceptance.

The City will strive to maintain Manager Classifications fifteen (15) percent above the highest paid subordinate classification salary. For purposes of this Section, “salary” shall only include base pay at the maximum of the range for the classifications. The City shall review Manager Classifications in May of each fiscal year and provide the Unit with a summary report of this review. If, during the fiscal year, a compaction situation is identified, the Unit shall inform the City, and Human Resources shall review the classification in question. It is the responsibility of the association to maintain and update accurate Manager-to-subordinate reporting relationship information in the City payroll system. The City shall provide a determination within 30 calendar days of notification from the Unit. Implementation of the salary adjustments will be effective the first pay period following Council approval of the mid-year or new fiscal year budget.

In addition, the plan should avoid being overly complex, not be perceived as negative, and should solve salary compaction or compression problems.

5. MARKET COMPARISON STRATEGY

The City of Santa Barbara's management compensation strategy provides policy guidance relative to the selection of labor market employers, and scope of external market surveys. In overall terms, the City's comparison labor market should:

- Focus on full service coastal and/or urban cities, which are comparable to Santa Barbara with respect to budget, service structure, and service area population.
- Include, when necessary, specialized markets for selected jobs, e.g. harbors, airports, utilities and parks and recreation.
- Recognize the impact of tourism on service demands.

- Recognize agencies located within a defined, competitive recruitment area within the Santa Barbara region, i.e. Ventura County area. General Unit Comparable agencies should also be considered when doing market comparisons.

The City's preferred competitive position should be based on total cash compensation and should consider the cost of living, especially as it relates to housing and difficulties in recruitment and retention of management staff.

6. PLAN DESIGN – CONTROL POINT (C/P) PAY SYSTEM

The design of the pay system is based on the control point pay concept. The control point (the top of the salary range) is the placement of a salary at the City's desired position relative to its labor market for any given position. City policy for managers entering City employment will be to pay within a 20% range of the control point salary. An individual manager's salary movement from salary at hire or promotion to the control point is to be based on merit and determined through the use of the management performance evaluation process.

7. SALARY CONTROL POINT ADJUSTMENT PROCESS

Salary control point adjustments are to be made periodically and may be based on a cost-of-living adjustment (COLA), external market survey data, anticipated labor market movement, maintaining salary differentials between management classes in a series, and/or maintaining salary differentials between managers and other subordinate classes. The City's ability to pay for adjustments will also be a consideration.

8. SALARY RANGE ADJUSTMENT RECOMMENDATIONS

Adjustments to existing salary ranges will be recommended by the City Administrator to the City Council. Management salary adjustments will be adopted by the City Council and reflected in the City’s official salary schedules.

9. PAY FOR PERFORMANCE

The City's management performance evaluation system will determine a manager's pay for performance. The guidelines and criteria for individual salary adjustments will be as follows:

COLA (RANGE) INCREASE

Cost-of-Living Adjustments (COLAs) are increases to management salary ranges recommended by the City Administrator. When a COLA increase adjustment is made to the salary range for a management position, management employees, regardless of their previous evaluation rating will receive the same adjustment to their individual salaries. COLAs may be scheduled in advance through adoption of a management salary plan.

MERIT INCREASE

Eligibility for a merit adjustment is for those individuals who are not already at the Control Point (top of the range) for their position. Merit increases are individual increases, based

on each manager's performance, allowing the managers to work toward the Control Point. The merit increase is based on the Evaluator's assessment of the Manager's Overall Rating for the evaluation period. The Manager qualifies for a merit increase only if they obtain an Overall Rating of "Successful" or "Exceptional Work". The merit increase may be between 0 to 10 %. The exact percentage of merit awarded will be determined by the Evaluator with appropriate approval. Any merit increase of greater than 5% must first be approved by the City Administrator.

SECTION II – COMPENSATION & EVALUATION

1. SPECIAL ASSIGNMENT PAY

When a Manager is temporarily assigned special duties or a special project, that employee may be eligible for Special Assignment Pay. In these cases, the Management employee may not be working in an "Acting" capacity, where they are performing the essential functions and duties of another management classification, but is given a special assignment or a special project above and beyond what is expected from their current job classification.

The City Administrator or their designee will determine the special pay rate, if any, ranging from 1% to 20% of the manager's salary. This special pay provision may be provided to the management employee on a temporary basis, reviewed at least annually and is not to exceed two years on the same assignment. The completion of a special pay assignment project may be followed by new special pay assignments.

A. ACTING PAY (TEMPORARY UPGRADE PAY)

When an employee is assigned on a temporary basis to the duties of a higher compensated position, and such an employee assumes the full duties and responsibilities of that position, such employee may be compensated the first full day of the first pay period following the appointment at a rate of payment up to 15.0% of the employee's base pay not to exceed the maximum of the temporary classification.

The parties agree that to the extent permitted by law, this is special compensation and shall be reported as such pursuant to Title 2 CCR Section 571(a)(3) Temporary Upgrade Pay as special compensation. "New members" as defined under the Public Employees' Pension Reform Act of 2013 will not have the value of acting pay reported as special compensation or pensionable compensation.

B. PAYROLL DEDUCTIONS

Employees who receive payroll overpayment shall reimburse City for such overpayment. The city shall establish a reasonable schedule of payments based upon the amount of such overpayment and date overpayment was made.

C. DIRECT DEPOSIT

All employees shall participate in the City's payroll direct deposit program.

Each employee shall execute a payroll authorization form and submit a voided check or savings deposit slip to the Payroll Office. It shall be the employee's choice as to which bank they designate as the institution receiving payroll funds.

When the authorization form is properly executed and filed with the Payroll Office, the city will begin automatically depositing the net amount of pay on or before each designated biweekly payday in the employee's designated bank account.

Exceptions: An exception to this policy may be granted by the Finance Director to an employee upon a showing of good cause for such exception (e.g., that they are unable to establish and/or maintain a personal banking/financial account for direct deposit, or that other personal circumstances necessitate a temporary or permanent exception). The Finance Director may require the employee to renew this exception periodically. Exceptions will not be unreasonably denied.

Employees participating in direct deposit will be provided with a payroll detail report each pay period.

2. GOALS OF EVALUATION SYSTEM

The key element of this compensation plan is the performance evaluation system. The effectiveness of the system is dependent upon the planning that supports it and may be measured by the quality of actual management performance. The primary purpose of the appraisal program is to motivate each manager to work at his/her fullest capacity. A secondary purpose is to provide a basis for rewarding management personnel in accordance with their individual performance and to identify those managers whose work is not in keeping with appropriate standards.

The City's management evaluation program is designed as a communications process which not only permits but requires input and feedback from all organization levels in establishing goals, objectives, work responsibilities, and standards of performance measurement. The methods and techniques are intended to be applied uniformly in all departments and divisions. The program is flexible enough to be adaptable to the philosophy, characteristics, and operating methods of various organizational units. This plan establishes an accurate, objective, and reliable method of measuring performance that will benefit the City and develop the individual manager.

3. PERFORMANCE EVALUATION PERIOD

Annual management performance evaluation periods correspond to the July-June fiscal year. Each manager's performance will be formally reviewed at mid-year and again following the end of the fiscal year, although the manager and evaluator have a continuing responsibility throughout the year to review performance progress.

4. AUTHORITY TO EVALUATE PERFORMANCE

Authority and responsibility for approving management performance goals, completing performance evaluations, and recommending merit increases will be assigned as follows:

- For department heads and City Administrator's staff, the City Administrator has the authority.
- For division managers, the department heads have the authority in consultation with the City Administrator.
- For all other management employees, the division managers have the authority in consultation with the department head.

5. INDIVIDUAL PERFORMANCE GOALS

At the beginning of each fiscal year a subordinate manager and his or her Evaluator will jointly develop the performance objectives for the subordinate manager in the upcoming fiscal year, including any:

1. Other Projects / Programs (or stages thereof) for Completion

2. Day to Day Operations Objectives

3. Professional Development Objectives (for Manager and their Staff)

A measure (qualitative or quantitative) should be provided for each objective. At the end of the fiscal year, each manager's performance will be evaluated based, in part, upon the completion of the outlined responsibilities. The Evaluator will assign a performance rating to each objective.

At times, conditions outside the individual manager's control will alter the manager's activities. These adjustments and any corresponding changes to the manager's individual performance goals should be discussed as they become apparent throughout the evaluation period.

6. CITYWIDE PERFORMANCE OBJECTIVES

In addition to the manager's individual performance goals, each manager will be evaluated on performance related to important City-wide objectives and management skills, including but not limited to the following:

A. **Section 1: Citywide Objectives**: These are programs and interests that have been deemed to be important to the welfare of the whole City, and must be actively supported by all management personnel

- Department/City-wide Communication
- Staff Development
- Diversity
- Injury/Illness and Prevention Program

B. **Section 2: Management Skills Objectives**: The development and effective use of these skills are deemed important for all management personnel

- Budgeting / Financial Management
- Policy Development / Implementation
- Public and Community Relations
- Leadership
- Judgment
- Managing / Supporting Employees
- Encourage Creativity and Innovation
- Oral Communication / Presentation Skills

- Written Communication

The Evaluator will use their judgment as to the fit between the specific job skill and the manager's job and assign a performance rating to each Citywide objective.

7. RATINGS

Each manager will receive an overall rating on his or her evaluation based on his or her performance. The Evaluator may consider factors such as the amount of time the manager has been in the job, the amount of previous or on-the-job training he/she has had, the type and complexity of projects he/she has been assigned, and the pace and complexity of the work environment in developing the overall rating.

The ratings, both for individual performance objectives and for the overall rating, are as follows:

Exceptional Work: Means the Manager's overall performance, during this review period, has significantly exceeded the expected levels of performance. This rating should be used sparingly to indicate exceptional performance (a breakthrough to a new higher level of accomplishment and/or unexpectedly superior performance on a special or emergency assignment.)

Successful: Means the Manager's performance, during this review period, has made a contribution to the success of the department and the City, and indicates the achievement of competency in this skill area. The Manager consistently meets, and at times exceeds, expectations and performance standards. Performance is within the expected scope and is indicative of a competent manager. It is expected that managers who are performing both at and above expectations will receive this rating.

Needs Improvement: Means the Manager's overall performance, during this review period, has been below the expected level of quality or quantity. The Manager needs to take steps to correct identified deficiencies.

Unacceptable: Means that on an overall basis the Manager has, during this review period, performed in a manner significantly below the level to be expected considering the manager's previous experience, tenure in the class and the Manager's duties and responsibilities, and that it appears to be reasonably certain that the manager is either unwilling or unable to perform successfully.

Not Applicable/ Not Observed: The skill or characteristic does not apply to this position, is new and not yet measurable, or the activity was not under the Manager's control.

8. PROMOTIONS AND NEW APPOINTMENTS TO MANAGEMENT

The process for assimilating newly promoted or appointed managers into the evaluation system is as follows:

1. The initial performance goals will be developed during the first three (3) months of employment.

2. The beginning date of the evaluation period may be between one (1) and three (3) months from the date of employment as agreed to by the manager and his/her supervisor.

3. All evaluation periods must cover a period of at least three (3), but no more than twelve (12) months with the end of the evaluation being June 30.

4. The manager will be evaluated at the conclusion of each evaluation period (June 30).

5. The beginning salary for a management employee will be negotiated within the salary range for the position.

6. All subsequent changes in salary will be made based upon performance evaluation.

Salary adjustments, except for those hired between April 1 and July 1, will be as follows:

- If rating is “Successful” or “Exceptional Work”: COLA + (X/12 x Merit Increase) = % total salary increase, where X is the number of full months contained in the evaluation period for the last fiscal year.
- If rating is “Needs Improvement”: COLA only
- If rating is “Unacceptable”: Not eligible for salary increase.

Those not evaluated because they were hired between April 1 and July 1 will receive the amount of the COLA adjustment in order to maintain their relative position in the range.

SECTION III – BENEFITS

1. BENEFIT GROUPS I AND II

All management classifications will be designated as belonging to Benefit Group I or Benefit Group II. This designation will determine the amount/level of benefits that will accrue to each management employee.

Group I: City Administrator, Assistant City Administrator, all Department Heads.

Group II: All other management classifications.

2. HEALTH AND WELFARE BENEFITS (CAFETERIA PLAN)

A. CAFETERIA PLAN CONTRIBUTION

Managers will receive a monthly contribution to the cafeteria plan for the purchase of health and welfare benefits and/or optional cash-out. The dollar value of full family medical and dental will be determined based on the premiums for the least expensive comprehensive plans.

The cafeteria plan amount will be periodically adjusted so that it is equal to no less than:

Group I Managers:	Group II Managers:
$1978.54 per month	$1978.54 per month

Information about the benefits available and their cost will be distributed to all management employees at the beginning of each benefit year (i.e. calendar year). The City retains full and complete control over the selection, approval and administration of the City's group insurance program.

The benefits will be subject to the following rules:

1. Benefit selections must be made prior to the beginning of each benefit year. Employee changes in benefit plan selections, such as adding or deleting coverage and/or dependents, may only be made in accordance with Section 125 of the Internal Revenue Code and City policy.

2. All benefits selected from the cafeteria plan must be paid for in full from the maximum benefit provided except when the maximum is insufficient to cover all insurance coverage selected. In such cases, the premium amount not funded by the City-provided benefit will be paid through an employee deduction applied against the medical premiums.

3. No unexpended dollar amounts associated with selected benefits may be disbursed to a terminating employee.

4. All benefit selections are subject to State and Federal rules, regulations, and laws regarding employee benefits and tax status. No guarantee is made regarding the tax-exempt status of any and all benefits presented or selected.

5. Management employees will be eligible for benefits coverage and the respective Group I or Group II monthly cafeteria plan contribution, on the first day of the month following their hire date.

B. DOMESTIC PARTNER BENEFITS

The cafeteria plan allowance can be used toward same sex and opposite sex domestic partner dependent coverage under the medical, dental, and vision plans, and any other plan where such coverage is allowed. To receive this benefit, domestic partners must be registered with the City Clerk's Office and/or the Secretary of State of California, and the employee must provide proof of registration. The affected employee(s) will be responsible for all tax consequences of this benefit.

Additionally, Domestic Partners who are registered with the City Clerk's Office and/or the Secretary of State of California are treated the same as spouses under all City policies related to employees' families.

C. EMPLOYEE ASSISTANCE PROGRAM (EAP)

Managers and their families will have access to the City's Employee Assistance Program for free confidential counseling services. This amount will not be counted against the cafeteria plan allowance.

D. LIFE INSURANCE

Life Insurance will be provided equal to an amount of two times annual salary. An equal amount will be provided for accidental death and dismemberment (ADD) coverage. This amount will not be counted against the cafeteria plan allowance.

E. LONG TERM DISABILITY

Each management employee will receive coverage under the City's long-term disability insurance program. This amount will not be counted against the cafeteria plan allowance.

F. SHORT-TERM DISABILITY

Managers are eligible to participate in an optional Short-term Disability plan at their own cost.

G. ACCIDENT/CANCER INSURANCE

Managers are eligible to participate in an optional Supplemental Accident and Cancer insurance plan at their own cost.

H. TAX-QUALIFIED EXPENSE ACCOUNTS

The City offers several tax-qualified arrangements to allow managers to set aside money to pay for eligible expenses on a pre-tax basis. These include:

- Medical Flexible Spending Account
- Dependent Care Account

I. EXECUTIVE CAR ALLOWANCE

Executives are eligible for a monthly car allowance. This allowance is adjusted based upon the IRS mileage rate. Please contact the Finance Department regarding the current allowance.

J. CELL PHONE ALLOWANCE

Managers are eligible for $50.00 a month cell phone allowance if they are not issued a City paid for Cell Phone.

3. TIME OFF AND LEAVE BENEFITS

A. VACATION & SICK LEAVE ADVANCED CREDIT UPON HIRE

An employee who is appointed from outside City of Santa Barbara government service within one (1) year of leaving employment with either the City of Santa Barbara or another city, county, state agency, federal agency or special district and who, in the opinion of the Human Resources Manager, possesses government experience directly related to the position to which he or she has been appointed, may be offered credit for years of prior service with the City of Santa Barbara and/or his or her immediate previous government employer in the following ways:

i. Vacation Accrual: At the discretion of the Human Resources Manager, the employee may be offered credit for up to the total number of prior full years of service at the City of Santa Barbara and/or his or her immediate previous government employer toward the initial vacation accrual rate. The employee will not be eligible to progress to a higher accrual rate until the employee has the normal required minimum amount of City of Santa Barbara service for that accrual rate.

ii. Sick bank: At the discretion of the Human Resources Manager, the employee may be credited with up to 96 hours of sick leave. Thereafter, employees will accrue sick leave at the normal rate.

A former City of Santa Barbara employee reemployed within one year under Santa Barbara Municipal Code Section 3.16.320 will automatically qualify for the full vacation accrual credit under (i), above, for his or her prior City of Santa Barbara service. However, under no circumstance will prior accrued vacation balances cashed out to the employee upon termination be reinstated.

4. VACATION

Managers will accrue vacation as follows:

<u>GROUP I</u>

0-3 Years	160 hours
4-5 Years	200 hours
6+ Years	224 hours

GROUP II

0-2 Years	120 hours
3-5 Years	160 hours
6-7 Years	200 hours
8+ Years	224 hours

Vacation for management employees will be used within the following parameters:

A. Effective May 31, 2025, the maximum vacation accrual will be 400 hours.
B. The maximum vacation accrual may be waived if scheduled vacations are cancelled by the City for emergencies or cancelled by the manager due to illness, injury, or personal emergency. The manager will submit to the City Administrator, via the Department Head, a memo requesting approval for the accrual beyond the maximum. The City Administrator may establish a deadline by which the manager must reduce the vacation accrual to at or below the maximum, or be subject to the accrual discontinuance.
C. A manager whose vacation balances exceed the maximum accrual of 400 hours will not be eligible to accrue further vacation until such time as the manager has reduced their accrued leave balances through time off, catastrophic leave donation, to below the maximum accrual. There is no retroactive grant of vacation compensation for the period of time the vacation compensation was at the cap.
D. To qualify for vacation cash-out, an employee must take a minimum of forty (40) hours of accrued leave time (personal leave, management leave, vacation leave, or any combination) during a fiscal year to be eligible to receive cash out for the same fiscal year. Vacation can only be "cashed out" in 10-hour increments (i.e. 10, 20, 30), and the amount to be cashed out will not exceed the employee's vacation balance at the end of the vacation year. Employees eligible for vacation cash-out shall follow the procedures established by the City. Employees must maintain a minimum of 100 hours in their respective leave banks to be cash out vacation hours.

5. LEGAL HOLIDAYS

Jan 1st	New Year’s Day
3rd Monday in January	Martin Luther King Jr.’s Birthday
3rd Monday in February	President’s Day
March 31st	Cesar Chavez Birthday
Last Monday in May	Memorial Day

June 19	Juneteenth
July 4	Fourth of July
1st Monday in September	Labor Day
November 11	Veteran’s Day
4th Thursday in November	Thanksgiving
4th Friday in November	Day Following Thanksgiving
December 25th	Christmas

Paid holiday time is awarded based on regularly scheduled work day hours per holiday for a full-time manager (pro-rated for part-time employees). When a holiday falls on a Saturday or Sunday, the preceding Friday or following Monday, respectively, will be observed as a legal holiday. Whenever a holiday occurs on a manager's regularly scheduled day off, the manager is entitled to an additional day off. Such day off shall be taken within sixty (60) calendar days or shall be compensated at straight pay.

6. PERSONAL LEAVE

Managers will be entitled to thirty-two (32) paid personal leave hours (pro-rated for part-time employees) each fiscal year per the following schedule:

On the payroll July 1st	32 Hours
Hired between July 2 and October 1	24 Hours
Hired between October 2 and Jan 1	16 Hours
Hired between Jan 2 and April 1	8 Hours

Personal leave days must be taken by the end of each fiscal year or lost. Personal leave will be scheduled on the same basis as vacation. In no case will managers be entitled to cash payment for personal leave days not taken.

7. SICK LEAVE

Sick leave allowance will accrue at the rate of 8 hours per month.

Employees may use sick leave up to 320 hours for the same qualifying events as California Paid Family Leave and with the same rules and regulations.

8. MANAGEMENT LEAVE

Eligibility: This management leave policy applies to all regular management employees designated as being exempt from the overtime provisions of the Fair Labor Standards Act, subject to department head, City Attorney, or City Administrator approval, as outlined below.

Effective July 1, 2024, Each eligible management employee is awarded sixty-four (64) hours of management leave (pro-rated for part-time employees) for the fiscal year as follows:

Managers on the payroll July 1 (inclusive)	64 Hours
Managers hired between July 2 and October 1 (inclusive)	48 Hours
Managers hired between October 2 and January 1 (inclusive)	32 Hours
Managers hired between January 2 and April 1 (inclusive)	16 Hours

A manager on a Leave of Absence without Pay on July 1st will receive the Management Leave hours (prorated) when they return to work.

Use: Management Leave is scheduled like vacation. The leave provided by this program is not related to hours worked nor subject to accrual and may not be carried over beyond the end of the fiscal year.

Administration of this policy is subject to the discretion and approval of the department head, except for City Attorney or City Administrator appointment positions, which are subject to the discretion and approval of the City Attorney or City Administrator respectively. Final resolution of any disputes arising from this policy will rest with the City Attorney or City Administrator as appropriate.

9. NON-REPLENISHABLE SICK LEAVE

Management employees are eligible for non-replenishable sick leave. After five (5) years of continuous service, a manager may accumulate additional sick leave at the rate of sixteen (16) hours at full salary for each additional year of continuous service. The maximum accumulation is two hundred and forty (240) hours and is not replenishable. Non-replenishable sick leave hours may only be used after the manager’s entire regular sick leave bank is exhausted.

10. CATASTROPHIC LEAVE (SEE APPENDIX B)

The management catastrophic leave policy allows managers to donate vacation time to the applicable leave banks of full-time and part-time employees who are incapacitated due to a catastrophic illness or injury or who must care for a spouse or child who has a catastrophic illness or injury. A catastrophic illness or injury is a severe illness or injury which is unusual, unexpected, and immediate in nature; and which is expected to preclude an employee from returning to work for an extended period of time, during which the employee will exhaust all their accumulated leave balances.

Donated vacation time will be converted and credited to the recipient in equivalent hours of sick leave at the recipient's base hourly rate (e.g. employee A makes $20/hour and donates 1 hour of vacation time to employee B who earns $10/hour. Employee B's applicable leave bank is increased by 2 hours for each hour donated by Employee A).

11. LEAVES OF ABSENCE

Medical Leave: Managers are eligible to request a medical or family leave of absence of up to one year under the City's FMLA/CFRA Family Medical Leave Policy, the Leave without Pay (Medical Reasons) Policy, the Maternity Leave Policy, and/or the Parental Leave Policy.

The City Administrator may grant an extra leave of absence, in addition to that provided under the various sick leave policies to a manager who has been continuously employed by the City for five (5) years or more. When all sick leave has been exhausted, the manager can make a request, in writing, for extra leave and attach a report from their medical doctor stating the extent of the illness and the approximate time required for recovery. If approved the request shall be based on the following schedule.

Service in Years (active & continuous)	Maximum # of Months of Extra Leave Allowable:
5-10 Years	3
10-15 Years	6 (including the 3 above)
15-20 Years	9 (including the 6 above)
20 + Years	12 (including the 9 above)

During such a period of extra leave, the manager shall receive an amount equal to 50% of their regular salary (MC 3.08.210).

Non-Medical Leave: Managers may also request a personal leave of absence of up to one year for non-medical reasons under the City's Leave of Absence without Pay (Non-medical reasons) Policy. A sabbatical may constitute a reason for a leave of absence. An approved leave of absence without pay will not constitute a break in continuous service.

12. BEREAVEMENT LEAVE

The bereavement leave shall be up to forty hours leave with pay, prorated for part time employees, and shall include the following immediate family members: mother, father, brother, sister, spouse, child, grandparents by blood or marriage, grandchildren by blood or marriage, mother-in-law, father-in-law, brother-in-law, sister-in-law, daughter-in-law, son-in-law, person standing in loco parentis (in place of the parents), and step family members. In addition to the immediate family members listed herein, an employee shall be eligible for bereavement leave with pay for their domestic partner and the domestic partner's immediate family, as defined above.

To receive this benefit, domestic partners must be registered with the City Clerk's office or the Secretary of State. The intent of bereavement leave is to provide employees with adequate time to be with their immediate family during a period of anguish, whether it be at the time of death, preparation of funeral arrangements and/or to attend a funeral.

The parties agree that co-worker funeral attendance will be acceptable to the City upon Department Head approval consistent with maintenance of operations.

13. MANAGEMENT SUPPLEMENT PLAN

Effective the first pay period after January 1, 2025, a Management Supplement shall be provided to all unrepresented managers and attorneys in an annual amount of $1200.00. This supplement is paid at $50 per pay period (based on 24 pay periods) and can be used for payment toward any current or future voluntary supplemental benefit(s) or contribution to any current or future Defined Contribution Plan. Each employee shall have full discretion how this supplement is used.

SECTION IV – RETIREMENT BENEFITS

1. RETIREMENT PLAN (CALPERS)

Each management employee will be enrolled in the Public Employee's Retirement System (CalPERS), in either the miscellaneous or safety category as determined by the individual's job classification.

New Members:

Effective January 1, 2013, new members as defined by California Public Employees' Pension Reform Act of 2013 (hereinafter "AB 340") will be covered under the 2.7% at 57 Safety retirement formula or the 2% at 62 Miscellaneous retirement formula, with a final compensation measurement period of the average of the highest three (3) consecutive years, as well as all other statutory requirements of AB 340.

Effective July 1, 2013, new employees and/or members as defined by AB 340 shall contribute half the normal cost for benefits, as defined by AB 340; the City will not pay any portion of these employees' required contributions.

Classic Members:

Employees who qualify as "Classic" PERS members by virtue of service with the City or another qualified employer prior to January 1, 2013, will be covered under the following plans:

Classic Employees are covered under the PERS 2.7% at age 55 benefit formula, with a final compensation measurement period of the single highest year. The employee's contribution toward the employee's required member contribution, if any, is adjusted upward or downward from year to year depending on the City's employer rate from PERS.

Managers also have the option, at their own expense, to receive PERS service credit for any military service time or other service time eligible for service credit purchase under the applicable PERS plan.

POLICE AND SAFETY MANAGERS: The City's Fire and Police Managers are covered under the PERS 3% at age 50 benefit formula, with a final compensation measurement period of the single highest year.

- The Fire Chief and Fire Operations Division Chief will contribute toward retirement an amount equal to the Fire Association retirement contribution. Effective June 23, 2018, the total employee contribution is 10.5%.
- Unrepresented Police and Fire Safety managers contribution changes toward retirement will be outlined in the as provided by Salary Plan(s) adopted by the City Council by resolution or ordinance.

2. RETIREE MEDICAL INSURANCE

This provision is applicable to managers who retire from City service and

a. Have 10 or more years of classified or unclassified service; or
b. Retire from the City with an industrial disability retirement.

The City will contribute $12.00 per month, per year of service, toward the purchase of retiree medical insurance, up to a maximum of 35 years (i.e. $420.00 per month).

The retiree is not limited to the purchase of a City sponsored plan, provided however, that if the retiree purchases another insurance plan, the retiree must supply the City with adequate proof of insurance coverage prior to any contribution from the City. Proof of such coverage will be provided to the City on a periodic basis, as reasonably determined by the City.

The City will continue to make its contribution until the retiree reaches age 65 or dies, whichever occurs first, provided however, that if the retiree dies before reaching the age of 65 and there is a surviving spouse or registered domestic partner, the city's contribution will cease when the retiree would have reached 65. Thereafter, the spouse may remain on the insurance plan, at their cost, subject to the conditions set forth by the insurance company.

3. SICK LEAVE ANNUITY UPON RETIREMENT

At the time of retirement, the City shall calculate the amount of an annuity for the retiring manager similar to the PERS amendment that provides service credit for sick leave. *Note: This provision does not apply to Fire Safety Managers since credit for sick leave is included in their PERS contract, nor to Police Management Association (PMA) members, who are covered under the provisions of their labor agreement.*

1. The following conditions apply to this benefit:

    a. In order to qualify for payout of sick leave upon retirement, the retirement eligible manager must have at least five (5) years of service and at least 300 sick leave hours.

    b. The conversion rate of 0.004 years of service credit for each day of sick leave is utilized.

2. Safety group members who obtain 90% of final compensation upon retirement are not eligible for this benefit. (All safety group PERS contract evaluations limit a safety member's maximum annual pension to no more than 90% of final compensation regardless of the length of service and this benefit carries the same restriction); and

3. If the City amends its PERS Miscellaneous or Police contract evaluation to include service credit for sick leave upon retirement, non-safety or Police members, respectively, will be included in that PERS contract amendment and the annuity program will be discontinued for that group.

4. The retiring manager will be paid out in a lump sum amount based upon the value of the sick leave annuity.

This provision is not intended to provide a benefit when a similar benefit would not be available from PERS under the service credit for sick leave contract amendment.

4. DEFERRED COMPENSATION

In addition to the City's retirement plans, managers will be automatically enrolled in the deferred compensation program to save for retirement. The deferred compensation program is a tax-qualified Section 457 government defined contribution retirement program. Effective the first pay period after adoption of the 2024-2026 AFSCME MOU, $750.00 will be deposited into the employee's Deferred Compensation account.

5. TUITION REIMBURSEMENT

Managers are eligible for up to $2,000 per year in educational reimbursement through the Citywide Educational Reimbursement Policy.

SECTION V – SPECIAL PROVISIONS

1. UNIFORM ALLOWANCE

UNREPRESENTED POLICE SAFETY MANAGEMENT EMPLOYEES

The Deputy Police Chief and Police Chief will receive a uniform allowance equal to the amount established for a Police Officer under the Police Unit M.O.U. in effect at the time.

P.O.S.T.

The Police Chief will receive advanced Police Officers Standards and Training (POST) pay equal to the amount established for a Police Sergeant.

UNREPRESENTED FIRE SAFETY MANAGEMENT EMPLOYEES

The Fire Chief and Fire Division Chief – Operations will receive an annual uniform allowance equal to the amount established for a Firefighter per the Fire Unit MOU in effect.

EMERGENCY OVERTIME

- Overtime will be accrued or paid to Fire Chief and the Fire Division Chief-Operations at straight time only when assigned to emergency suppression or prevention duties.
- Overtime will not be accrued for performing administrative duties.
- Overtime may be accrued in a bank of hours not to exceed 48 hours.

2. MUTUAL AID ASSIGNMENTS

Employees, with approval of the Fire Chief, when assigned to, in support of, or prepositioned for, any mutual aid incident, will be compensated at one and one half time their regular base rate of pay for hours worked outside of their regular work hours. Classifications approved to respond to mutual aid requests are as follows:

Division Chief of Operations

APPENDIX A: ICMA CODE OF ETHICS

The mission of ICMA is to create excellence in local governance by developing and fostering professional local government management worldwide. To further this mission, certain principles, as enforced by the Rules of Procedure, shall govern the conduct of every member of ICMA, who shall:

We believe professional management is essential to effective, efficient, equitable, and democratic local government.

Affirm the dignity and worth of local government services and maintain a deep sense of social responsibility as a trusted public servant.

Be dedicated to the highest ideals of honor and integrity in all public and personal relationships in order that the member may merit the respect and confidence of the elected officials, of other officials and employees, and of the public.

Serve the best interests of all community members.

Submit policy proposals to elected officials; provide them with facts, and technical and professional advice about policy options; and collaborate with them in setting goals for the community and organization.

Recognize that elected representatives are accountable to their community for the decisions they make; members are responsible for implementing those decisions.

Refrain from all political activities which undermine public confidence in professional administrators. Refrain from participation in the election of the members of the employing legislative body.

Make it a duty continually to improve the member's professional ability and to develop the competence of associates in the use of management techniques.

Keep the community informed on local government affairs. Encourage and facilitate active engagement and constructive communication between community members and all local government officials.

Resist any encroachment on professional responsibilities, believing the member should be free to carry out official policies without interference, and handle each problem without discrimination on the basis of principle and justice.

Manage all personnel matters with fairness and impartiality.

Public office is a public trust. A member shall not leverage his or her position for personal gain or benefit. *Adopted by the ICMA Executive Board in 1924, and most recently revised by the membership in April 2023.*

APPENDIX B: CATASTROPHIC LEAVE POLICY

PURPOSE

To establish a program whereby City employees can donate vacation and/or compensatory time, if applicable, to:

The sick leave banks of permanent full-time and permanent part-time employees who are incapacitated due to a catastrophic illness or injury; or

The vacation leave banks of permanent full-time and permanent part-time employees who are caring for a spouse or child who has a catastrophic illness or injury.

DEFINITION

A catastrophic illness or injury is a severe illness or injury which is unusual, unexpected, or immediate in nature; and which is expected to preclude an employee from returning to work for an extended period of time, during which the employee will exhaust all of their applicable accumulated leave balances.

POLICY

City employees may donate vacation and/or compensatory time, if applicable, to permanent full-time or permanent part-time employee if:

An employee experiences a catastrophic illness or injury or must care for a spouse or child who has a catastrophic illness or injury which requires the employee to be absent from work for an extended period of time;

The employee has nearly exhausted all applicable leave balances (sick, vacation, personal leave, and compensatory time in the case of the employee's off-duty catastrophic illness or injury; vacation, personal leave and compensatory time due to caring for a spouse or child who has experienced a catastrophic illness or injury); and

The employee, or if incapacitated, the legally recognized representative, has agreed to accept the donation if approved by the department head and the City Administrator.

The department head will take action to ensure that each employee's decision to donate or not donate to a Personal Catastrophic Leave Account is kept confidential and that the donor and recipient employees are not pressured to participate.

State and Federal income tax on the value of vacation and/or compensatory time, if applicable, donated will be deducted from the recipient employee's pay at the time the hours are used.

PROCEDURES

A request is made by the recipient employee or if incapacitated, the legally recognized representative, to the department head for the establishment of a Personal Catastrophic Leave Account. This request may be made prior to the employee exhausting all of their

applicable paid leave balances so that time donated may be utilized immediately upon exhaustion of the employee's leave balances, but not before.

Upon approval of the department head and the City Administrator, and upon agreement of the recipient employee, a Personal Catastrophic Leave Account will be established. The employee or if incapacitated, the legally recognized representative, will sign the "Request to Receive Donation(s)" form allowing publication and distribution of information regarding their situation.

The employee or if incapacitated, the legally recognized representative, will be required to provide verification of the catastrophic illness or injury from an attending physician before and while using time donated under this program. All information provided by the attending physician will remain confidential.

The request for donations will occur in three-month intervals and may be extended up to a maximum of twelve (12) continuous months for any one catastrophic illness/injury, based upon approval of the department head and City Administrator.

Donated vacation and/or compensatory time will be converted and credited to the recipient's applicable leave bank in equivalent hours based upon the recipient's base hourly rate. (e.g., employee A makes $20/hour and donates 1 hour of vacation time to employee B who earns $10/hour. B's applicable leave bank is increased by 2 hours for each hour donated by A.)

Employees will use the "Donation of Vacation and/or Compensatory Time" form to submit donations of vacation and/or compensatory time, if applicable, directly to Human Resources. All donations will be reviewed for compliance with this policy. After review, the form will be forwarded to Payroll for action and adjustment to the donor's and recipient's paid leave balances.

All donations of vacation and/or compensatory time, if applicable, will be in increments of 4 hours or more (e.g. 4, 8, 12 hours) and will be made in three month increments. An employee may not donate vacation or compensatory time, if applicable, which would reduce their total accrued combined balance of vacation, compensatory time, personal leave and sick leave to less than 120 hours after the donation.

The donation of vacation and/or compensatory time, if applicable, is irreversible. Should the recipient employee not use all the donated time for the catastrophic illness or injury, any balance will revert to a City-wide "Catastrophic Leave Bank" for future use by employees with need for that donated time pursuant to the provisions of this Catastrophic Leave Policy.

A report on the usage of Personal Catastrophic Leave Accounts and status of the City-wide "Catastrophic Leave Bank" will be available to recognized labor organizations and others with a need to know. The report will include the identity of the recipient(s), hours donated, hours used and the remaining balance(s).

APPENDIX B: REQUEST TO RECEIVE CATASTROPHIC LEAVE

CATASTROPHIC LEAVE POLICY – MANAGEMENT

REQUEST TO RECEIVE DONATIONS

This form is for those City employees who are incapacitated due to a catastrophic illness or injury and wish to benefit from a City-established employee-donated Catastrophic Leave Bank. To be eligible to participate in the program, it is foreseen that an employee will use all of their accumulated leave balances because of a catastrophic illness or injury; however, any hours donated may not be utilized until the employee's leave balances are actually exhausted.

The purpose of this form is not to be intrusive into the personal life of any employee. The goal is to obtain enough information so that the decision to establish a Catastrophic Leave Bank for any given employee will be based on appropriate considerations. The intent is to establish a Catastrophic Leave Bank for those employees truly in need.

Name: _____Date:
Job Title: _____ Department:

Please describe why you are requesting use of the Catastrophic Leave Bank including specific information such as the nature of the catastrophe. (A doctor's Certificate of Disability and/or more pertinent information will be required by the City.)

How much donated time do you estimate you may need?

I agree to allow this information to be released to those employees wishing to donate their vacation time to me, as well as those people involved in the administration of the program.

Signed by the Requesting Employee or if incapacitated, the Legally Recognized Representative

_____ Date_____
Signed by the Requesting Employee
or if incapacitated, the Legally Recognized Representative

_____ Date_____
Signed by the Department Head

_____ Date_____
Signed by the City Administrator

APPENDIX B: DONATION OF VACATION TIME FOR CATASTROPHIC LEAVE

CATASTROPHIC LEAVE POLICY – MANAGEMENT

DONATION OF VACATION TIME - CONFIDENTIAL

TO: Human Resources

FROM: (Employee Name and Department)

DATE:

I understand that this donation of my vacation time is irrevocable. Should the employee receiving the donation not use all of the donated time for the catastrophic illness or injury, the balance will remain with the Catastrophic Leave Bank for future use by other employees with need for the donated time.

I understand that I may only donate vacation time, and that time may only be donated in increments of four hours or more.

I understand that I cannot donate vacation time which would reduce my total accumulated vacation, personal leave, and sick leave to less than 120 hours after my donation.

I have read and understand all of the above and I freely and without restraint elect to donate _____ vacation hours to a Catastrophic Leave Bank established for the benefit of

_____
(employee's name)

NAME: _____
(Please Print)

SIGNATURE: _____

DATE: _____