



**COMPENSATION PLAN**

*between*

**CITY OF PETALUMA**

*and*

**DEPARTMENT DIRECTORS**

**May 1, 2021 THROUGH June 30, 2023**

**UNIT 8**

## TABLE OF CONTENTS

<b>SECTION 1 – TERM OF COMPENSATION PLAN.....</b>	<b>1</b>
<b>SECTION 2 – SALARIES.....</b>	<b>1</b>
2.1 Salaries	
2.2 Salaries - Emergency Operation Center	
<b>SECTION 3 – SPECIAL COMPENSATION – UNIFORM ALLOWANCE.....</b>	<b>2</b>
<b>SECTION 4 – HOLIDAYS.....</b>	<b>2</b>
4.1 Holidays – Fixed Holidays	
4.2 Holidays – Personal Leave (formerly Floating Holiday)	
<b>SECTION 5 – VACATION.....</b>	<b>3</b>
5.1 Vacation – Accrual Rate and Maximum Accrual Limits	
5.2 Vacation – Scheduling	
5.3 Vacation – Adjustment for Holidays	
5.4 Vacation – Payment at Separation	
5.5 Vacation – Payout	
<b>SECTION 6 – LEAVES – ADMINISTRATIVE LEAVE.....</b>	<b>4</b>
6.1 Administrative Leave - Annual Credit of Leave	
6.2 Administrative Leave - Carry Forward of Leave	
6.3 Administrative Leave - Pro-Ration of Leave Hours	
6.4 Administrative Leave - Annual Payment for Unused Leave	
6.5 Administrative Leave - Payment at Separation	
<b>SECTION 7 – LEAVES – SICK LEAVE.....</b>	<b>5</b>
7.1 Sick Leave – Eligibility	
7.2 Sick Leave – Accrual	
7.3 Sick Leave – Transfer	
7.4 Sick Leave – Retirement Payout	
7.5 Sick Leave - Conversion	
<b>SECTION 8 – LEAVES – INDUSTRIAL INJURY LEAVE.....</b>	<b>6</b>
<b>SECTION 9 – LEAVES – BEREAVEMENT LEAVE.....</b>	<b>6</b>
<b>SECTION 10 – LEAVES – VICTIMS OF DOMESTIC VIOLENCE.....</b>	<b>7</b>
<b>AND SEXUAL ASSAULT LEAVE</b>	
<b>SECTION 11 – LEAVES – MILITARY LEAVE.....</b>	<b>7</b>
<b>SECTION 12 – LEAVES – ELECTION OFFICER LEAVE AND VOTING LEAVE .....</b>	<b>7</b>
<b>SECTION 13 – LEAVES – SCHOOL VISITATION LEAVE.....</b>	<b>7</b>
<b>SECTION 14 – LEAVES – LEAVE OF ABSENCE WITHOUT PAY.....</b>	<b>7</b>

## TABLE OF CONTENTS

<b>SECTION 15 – LEAVES – JURY DUTY LEAVE.....</b>	<b>8</b>
<b>SECTION 16 – FAMILY CARE AND MEDICAL LEAVE (FMLA &amp; CFRA).....</b>	<b>8</b>
16.1    FMLA and/or CFRA Leave	
16.2    FMLA and/or CFRA – Second Opinion	
<b>SECTION 17 – LEAVES – PREGNANCY DISABILITY LEAVE.....</b>	<b>8</b>
<b>SECTION 18 – DISCRIMINATION, HARASSMENT &amp; RETALIATION PROHIBITED.....</b>	<b>8</b>
<b>SECTION 19 – REASONABLE ACCOMMODATION.....</b>	<b>8</b>
<b>SECTION 20 – CALIFORNIA PUBLIC EMPLOYEES’ RETIREMENT SYSTEM.....</b>	<b>9</b>
<b>SECTION 21 – HEALTH BENEFITS – ACTIVE EMPLOYEES.....</b>	<b>11</b>
21.1    Active Employees – PEMHCA Contribution	
21.2    Additional Contribution – Effective January 1, 2021	
21.3    Additional Contribution – Effective January 1, 2022	
21.4    Additional Contribution – Effective January 1, 2023	
21.5    Employee Contribution	
<b>SECTION 22 – HEALTH BENEFITS – RETIRED EMPLOYEES.....</b>	<b>12</b>
22.1    Retired Employees – CalPERS and PEMHCA	
22.2    “Unequal Contribution” Method for Health Care Premium Payments for Retirees	
22.3    CalPERS Annuitant – PEMHCA Health Benefits	
22.4    Less Than 12 Years of Service – Not Receiving PEMHCA Health Benefits	
22.5    Less Than 12 Years of Service – Receiving PEMHCA Health Benefits	
22.6    12-19 Years of Service – Not Receiving PEMHCA Health Benefits	
22.7    12-19 Years of Service – Receiving PEMHCA Health Benefits	
22.8    20 Years or More of Service – Not Receiving PEMHCA Health Benefits	
22.9    20 Years or More of Service – Receiving PEMHCA Health Benefits	
<b>SECTION 23 – CASH IN-LIEU OF HEALTH AND DENTAL BENEFITS.....</b>	<b>14</b>
23.1    Cash In-lieu	
23.2    Employees Hired Before June 1, 2017	
23.3    All Employees Hired On or After June 1, 2017	
<b>SECTION 24 – SECTION 125 PLAN.....</b>	<b>15</b>
<b>SECTION 25 – DENTAL INSURANCE.....</b>	<b>15</b>
<b>SECTION 26 – VISION INSURANCE.....</b>	<b>16</b>
<b>SECTION 27 – LIFE INSURANCE.....</b>	<b>16</b>
<b>SECTION 28 – EMPLOYEE ASSISTANCE PROGRAM.....</b>	<b>16</b>

## TABLE OF CONTENTS

<b>SECTION 29 – DISABILITY INSURANCE.....</b>	<b>16</b>
<b>SECTION 30 – DEFERRED COMPENSATION .....</b>	<b>16</b>
30.1    Deferred Compensation Plan – 457 Plan	
30.2    Deferred Compensation Plan – Discretionary Plan - 401 (A)	
<b>SECTION 31 – AUTOMOBILE ALLOWANCE .....</b>	<b>16</b>
<b>EXHIBIT A – SALARY TABLE.....</b>	<b>17</b>

## **SECTION 1 - TERM OF COMPENSATION PLAN**

This Compensation Plan shall be effective commencing May 1, 2021 and ending June 30, 2023.

## **SECTION 2 – SALARIES**

### **2.1 Salaries**

Salary Ranges shall be as specified in Exhibit “A.”

#### **(A) Cost of Living Increases**

Effective the first full pay period following July 1, 2021, all unit employees shall receive a two percent (2.0%) base wage increase.

The City Manager is authorized in his/her discretion to amend and/or reissue the Unit 8 Compensation Plan to provide up to an additional two percent (2.0%) base wage increase for all Unit 8 positions to be effective no sooner than the first full pay period following July 1, 2022.

#### **(B) Market-Based Equity Adjustments**

Effective the first full pay period following July 1, 2021, the City shall increase the base pay for each classification with a total compensation of below market median based on the Ralph Andersen and Associates’ Total Compensation Survey (“Survey”). These changes are reflected in the Salary Table Attached as Exhibit “A.”

In addition, each non-surveyed classification which is tied to a benchmark classification will receive a base wage increase sufficient to maintain the differential recommended by Ralph Andersen and Associates in the document entitled “Salary Benchmarks and Alignments.” These changes are also reflected in the Salary Tables Attached as Exhibit “A.”

Market based equity adjustments are independent of the cost-of-living adjustment (“COLA”) but will be implemented in an additive (non-compounded) fashion. For example, if a classification is scheduled to receive a 9.7% market equity adjustment and a 2.0% COLA, the classification will receive a total increase of 11.7%.

#### **(C) Y-Rating**

Any classification determined to be more than 5% over market median (“Market Median plus 5%”) based on the Salary Benchmarks and Alignments document will be Y-Rated until it has foregone COLA’s equivalent to its position above Market Median plus 5%. In this context, Y-Rating shall mean that the classification will have its COLA’s reduced by 1% of salary until it has foregone COLA’s equivalent to its position above Market Median plus 5%.

[Example A: Classification A is a benchmark classification found to be 7% above Market Median, which means it is 2% over Market Median plus 5%. Classification A will have its COLA’s reduced by 1% per year for a period of 2 years. Under the Compensation Plan, COLA’s for each of the next 2 years would have been 2% per year. Therefore,

Classification A will receive a 1% COLA in Year 1 (2% minus 1%) and a 1% COLA in Year 2 (2% minus 1%).]

[Example B: Classification B is a benchmark classification found to be 6.7% above Market Median, which means it is 1.7% over Market Median plus 5%. Classification B will have its COLA's reduced by 1% in Year 1 and 0.7% in Year 2. Under the Compensation Plan, COLA's for each of the next 2 years would have been 2% per year. Therefore, Classification B will receive a 1% COLA in Year 1 (2% minus 1%) and a 1.3% COLA in Year 2 (2% minus 0.7%).]

2.2 Salaries – Emergency Operation Center

Employees of Unit 8 who are required to work when called to an activated Emergency Operation Center (EOC) local emergency shall be paid at their regular hourly rate for all hours beyond their normal workday.

**SECTION 3 – SPECIAL COMPENSATION – UNIFORM ALLOWANCE**

The classifications of Police Chief and Fire Chief shall receive one thousand five hundred dollars (\$1500.00) per year as a Uniform Allowance. This amount shall be paid in December.

**SECTION 4 – HOLIDAYS**

4.1 Holidays – Fixed Holidays

The City shall observe twelve (12) fixed-date holidays. These holidays shall be established for the City's fiscal year as determined by City Council resolution.

The holidays for fiscal years 21/22 and 22/23 are as follows:

Memorial Day  
Independence Day  
Labor Day  
Veterans' Day  
Thanksgiving Day  
Day after Thanksgiving  
Christmas Eve  
Christmas Day  
New Year's Day  
Martin Luther King Day  
Presidents' Day  
Cesar Chavez Day

Observance: The actual date of the observed holidays is determined by City Council resolution each fiscal year. If participating in a 5/8 schedule, when a holiday falls on a Saturday, that holiday will be observed on the prior Friday. When a holiday falls on a Sunday, that holiday will be observed on the following Monday. Should this conflict with a Friday or Monday designated holiday, the Friday or Monday holiday will occur on the preceding Thursday or following

Tuesday. If participating in a 4/10 schedule, when a holiday falls on a Friday or Saturday, that holiday will be observed on Thursday. When a holiday falls on a Sunday, that holiday will be observed on the following Monday. Should this conflict with a Friday or Monday designated holiday, the Friday or Monday holiday will occur on the preceding Wednesday or following Tuesday.

Observance by an employee of a designated religious event may be granted, if practical, with at least seven (7) days prior approval required for such leave, under the following methods:

- (A) Time charged to accrued vacation allowance; or
- (B) Time off without pay.

Fixed holidays currently provided for in the Compensation Plan will be based on the employee's regular work shift. For example, if an employee works a 4/10 schedule, s/he shall receive ten (10) hours of pay for the holiday. If an employee works a 9/80 schedule, s/he shall receive nine (9) hours of pay for the holiday, or eight (8) hours pay if the holiday falls on their regularly scheduled eight (8) hour workday as part of their 9/80 schedule. If an employee works a 5/8 schedule (five days/week, eight hours/day), s/he shall receive eight (8) hours of pay for the holiday. The same shall be true for any employee whose regular work week is fewer than forty (40) hours per week, except that no such employee shall receive more than eight (8) hours of pay for the holiday.

4.2 Holidays – Personal Leave (formerly Floating Holiday)

During the fiscal year the City will authorize eight (8) hours of Personal Leave per employee, which may be taken by the employee at a time selected by the employee, subject to operational requirements and approval determined by the City. Employees hired between July 1 and December 31, will be eligible for Personal Leave during the course of the fiscal year. Personal Leave is limited to eight (8) hours and may not be carried over to the next fiscal year.

**SECTION 5 – VACATION**

<b>Years of Service</b>	<b>Vacation Accrual (hrs)</b>	<b>Accrual Limit (hrs)</b>
0-4	80	240
5-9	120	360
10	128	384
11	136	408
12	144	432
13	152	456
14	160	480
15	168	504
16	176	528
17	184	552
18	192	576
19 or greater	200	600

5.1 Vacation – Accrual Rate and Maximum Accrual Limits

Employees shall accrue vacation hours at the rate specified in the above table. The City  
2021-2023 City of Petaluma / Unit 8 Compensation Plan

Manager may at his/her discretion set an annual vacation accrual rate for an employee above the accrual rate in the table in section 5.

Vacation time shall not be accumulated in excess of three (3) years or three times an employee's annual vacation accrual as indicated in the vacation chart above.

5.2 Vacation – Scheduling

The times during a calendar year in which an employee may take his/her vacation shall be determined by the City Manager with due respect for the wishes of the employee and particular regard for the needs of the service. If the requirements of the service are such that an employee cannot take part or all of his/her annual vacation in a particular calendar year, such vacation shall be taken during the following calendar year.

5.3 Vacation - Adjustment for Holidays

Employees who are granted time off for scheduled holidays shall not have such holidays charged as vacation leave when the vacation leave and holiday(s) coincide.

5.4 Vacation – Payment at Separation

Employees who separate City employment shall be paid for all accrued unused vacation leave earned prior to the effective date of separation.

5.5 Vacation – Payout

During the month of December of each year, each employee who has at least one hundred and twenty (120) hours of accrued but unused vacation may make an irrevocable election to cash out up to forty (40) hours of vacation in the following calendar year. Vacation payouts under this section will be made in October of the tax year following the election. The employee must have a minimum balance of forty (40) hours after the cash out of vacation. If the employee's requested amount does not leave a minimum forty (40) hours of vacation remaining at the time of cash out, the employee's requested vacation cash out will be reduced to allow the remaining minimum balance to be maintained.

## **SECTION 6 – LEAVES – ADMINISTRATIVE LEAVE**

6.1 Administrative Leave – Annual Credit of Leave

Employees shall be credited with eighty (80) hours of administrative leave each fiscal year.

6.2 Administrative Leave – Carry Forward of Leave

Employees may carry forward up to forty (40) hours of unused administrative leave into the next fiscal year. Employees shall not maintain balances of more than one hundred and twenty (120) hours.

6.3 Administrative Leave - Pro-Ration of Leave Hours

Employees hired or appointed after July 1 shall be credited with a pro-rated amount of administrative leave based upon hire or appointment date through June 30.

6.4 Administrative Leave – Annual Payment for Unused Leave

Employees shall receive payment for up to twenty (20) hours of unused administrative leave



at the end of the fiscal year. Payment shall be at the employee's base pay rate as of June 30. Payment shall be made on the last pay period of the fiscal year.

6.5 Administrative Leave - Payment at Separation

Employees who separate employment shall receive payment of up to forty (40) hours of unused administrative leave. Payment shall be at the base pay rate at the time of separation.

## **SECTION 7 – LEAVES – SICK LEAVE**

7.1 Sick Leave – Eligibility

Sick leave with pay shall be granted to all employees as set forth in this section. Sick leave is not a right, which an employee may use at his discretion, but rather, shall be used only in case of personal illness, disability or the serious illness or injury of an employee's family member, which requires the employee's attention. The term family members shall include: spouse, children, parents, spouse's parents, brothers, sisters or other individuals whose relationship to the employee is that of a dependent or near dependent.

7.2 Sick Leave – Accrual

Sick leave shall accrue to all full-time employees at the rate of eight (8) hours for each month of continuous service. No employee shall accumulate more sick leave in any year than provided

7.3 Sick Leave – Transfer

The sick leave transfer program outlined below results in taxation for employees donating hours. The City intends to adopt a Citywide catastrophic leave policy which will permit donations of leave time without tax to the donor. This Section (7.3) will terminate and become ineffective once the City adopts a Citywide program to replace this section.

Employees wishing to donate hours of sick leave to another employee may do so by sending a written request, approved by his/her department director, to the Human Resources office naming the individual to receive the sick leave and the amount donated, with the following restrictions:

- (A) Employees who wish to transfer sick leave must retain a minimum of 160 hours of sick leave to be eligible to transfer sick leave.
- (B) Transfer amounts shall be limited to the number of actual hours needed and used by the receiving employee.
- (C) Any donated sick leave hours unused by recipient shall be returned to the donor. The employee receiving the sick leave transfer must have zero (0) hours of accrued sick leave, vacation, and CTA leave on the books.
- (D) Employees may not buy or sell sick leave. Only the time may be transferred.
- (E) Employees may not transfer sick leave upon separation of service.
- (F) Transfer of sick leave shall be allowed between all Units.
- (G) No more than ninety (90) workdays of sick leave may be received by an employee for any one illness or injury.

7.4 Sick Leave – Retirement Payout

In the event of the death or retirement of an employee who has completed ten (10) or more years of continuous service with the City, the employee shall be paid or shall receive to his/her benefit, fifty percent (50%) of his/her accumulated but unused sick leave, not to exceed four-hundred-eighty (480) hours. The employee may elect not to receive this benefit and instead place all sick leave hours into the CalPERS sick leave conversion benefit, or the employee may do a combination of both; to receive a payout of up to fifty percent (50%) of his/her accumulated but unused sick leave not to exceed four hundred eighty (480) hours with the balance placed into the CalPERS sick leave conversion benefit.

7.5 Sick Leave – Conversion

In February of each year, employees may convert a maximum of one hundred sixty (160) hours of sick leave to vacation at a ratio of four (4) sick leave hours to one (1) vacation hour. Example: Employee requests conversion of 160 hours of sick leave; 40 hours of vacation leave are added to the employee's vacation bank. An employee must have at least eighty (80) hours remaining in his/her sick leave bank after the conversion. Such conversion does not impact the ongoing accrual of sick leave at the rate of eight (8) hours for each month of continuous service.

**SECTION 8 – LEAVES – INDUSTRIAL INJURY LEAVE**

Benefits shall be payable in situations where miscellaneous employee absence is due to industrial injury as provided in California State Workers' Compensation Law. During the first three (3) workdays when the employee's absence has been occasioned by injury suffered during his/her employment and he/she receives workers' compensation, he/she shall receive full pay. Following this period, sick leave may be a supplement to the workers' benefits provided the employee. Compensation is at his/her regular rate for a period not to exceed six (6) months, or until such sick leave is exhausted, or the disability is abrogated, or that employee is certified "permanent and stationary" by a competent medical authority. The City shall pay him/her the regular salary, based on the combination of the workers' compensation benefit plus sick leave.

All public safety employees receiving full salaries in lieu of temporary disability payments pursuant to Section 4850 of the labor code are entitled to accumulate sick leave during such periods of sick leave. Sick leave for industrial injury shall not be allowed for a disability resulting from sickness, self-inflicted injury, or willful misconduct.

The City may retire any employee prior to the exhaustion of accumulated sick leave, at which time all accrued but unused sick leave shall be abrogated, subject only to the limitations provided under this Compensation Plan.

**SECTION 9 – LEAVES – BEREAVEMENT LEAVE**

An employee shall be granted up to thirty-two (32) hours of bereavement leave in the event of death in the employee's immediate family. For the purpose of bereavement leave, immediate family shall mean spouse, qualified domestic partner, father, father-in-law, mother, mother-in-law, brother, brother-in-law, sister, sister-in-law, child (including stepchildren), step-parents, grandparents and grandchildren or person with whom the employee has a relationship in loco parentis. Up to an additional eight (8) hours of accrued sick leave may be granted to supplement bereavement leave.

In the event an employee must travel more than three-hundred (300) miles to attend a funeral or memorial service, an additional eight (8) hours of bereavement leave shall be granted instead of the use of eight (8) hours of sick leave.

#### **SECTION 10 – LEAVES – VICTIMS OF DOMESTIC VIOLENCE AND SEXUAL ASSAULT LEAVE**

The City of Petaluma provides appropriate leave, in accordance with California Labor Code Section 230.

#### **SECTION 11 – LEAVES – MILITARY LEAVE**

The City of Petaluma shall grant military leave benefits to eligible employees in accordance with California's Military Leave Laws found in Military & Veteran's Code 389 *et seq.*, the Federal Uniformed Services Employment and Re-employment Rights Act (USERRA), found at 389 U.S.C. 4301 *et seq.*, and the City of Petaluma Resolution No. 2004-200 N.C.S. Employees in the Ready Reserves of the Armed Forces who are ordered to active military duty or training under Executive Order 13223, shall have continued benefits in effect throughout his/her active duty training for a period of three-hundred sixty-five (365) calendar days or until the date of discharge from military service, whichever occurs first, unless this policy is changed by action of the City Council.

#### **SECTION 12 – LEAVES – ELECTION OFFICER LEAVE AND VOTING LEAVE**

When an employee's actual work schedule otherwise would prevent the employee from voting in any State, County, or General election, the employee may be granted up to two (2) hours of paid time to vote, in accordance with Election Code 14000. The employee must provide the City with at least two (2) working days' notice that he or she will be taking time off to vote.

#### **SECTION 13 – LEAVES – SCHOOL VISITATION LEAVE**

Employees may take up to forty (40) hours in a year to participate in the child's school activities, in accordance with Labor Code section 230.8.

#### **SECTION 14 – LEAVES – LEAVE OF ABSENCE WITHOUT PAY**

The City Manager may grant a regular or probationary employee leave of absence without pay pursuant to State and Federal Law. Good cause being shown by a written request, the City Manager may extend such leave of absence without pay or seniority or benefits for an additional period not to exceed six (6) months. No such leave shall be granted except upon written request of the employee setting forth the reason for the request, and the approval will be in writing. Upon expiration of a regularly approved leave or within a reasonable period of time after notice to return to duty, the employee shall be reinstated in the position held at the time leave was granted. Failure on the part of an employee on leave to report promptly at its expiration, or within a reasonable time after notice to return to duty shall be cause for discharge.

## **SECTION 15 – LEAVES – JURY DUTY LEAVE**

Any employee summoned for jury duty shall be entitled to a leave of absence with full pay for such period of time as may be required to attend the court in response to such summons. Any employee may retain payment for travel but shall make payable to the City any and all fees which the employee may receive in payment for service as a juror. For Grand Juries this compensation shall not extend beyond twenty (20) working days.

## **SECTION 16 - FAMILY CARE AND MEDICAL LEAVE (FMLA & CFRA)**

### **16.1 FMLA and/or CFRA Leave**

The City shall provide family and medical care leave for eligible employees as required by City policy, state and federal law and as specifically provided in the Federal Family and Medical Leave Act of 1993 (FMLA) and the California Family Rights Act of 1993 (CFRA). If possible, employees must provide thirty (30) days advance notice of leave.

### **16.2 FMLA and/or CFRA – Second Opinion**

The employee shall provide the City with a health care provider certification. The City, at City expense, may require a second opinion on the validity of the certification. Should a conflict arise between health providers, a third and binding opinion, at City expense shall be sought.

## **SECTION 17 – LEAVES – PREGNANCY DISABILITY LEAVE**

The City shall provide pregnancy disability leave (PDL) for eligible employees as required by City policy and applicable law and as specifically provided in the Fair Employment and Housing Act and the Family Medical Leave Act. If possible, employees must provide thirty (30) days advance notice of leave.

## **SECTION 18 - DISCRIMINATION, HARASSMENT, & RETALIATION PROHIBITED**

The City and its employees are prohibited from discriminating against an applicant or employee because the employee is in a "protected class" (based on age, race, etc.) in taking any personnel actions (such as hiring, promotion, discipline, etc.) Employees are prohibited from harassing any employees due to race, sex, age, etc. The City and its employees are prohibited from retaliating against an employee because the employee has filed a complaint of discrimination or harassment or opposed actions by other employees that constituted discrimination or harassment.

## **SECTION 19 - REASONABLE ACCOMMODATION**

In accordance with the California Fair Employment and House Act (FEHA) and the Americans with Disability Act (ADA), the City will reasonably accommodate any know protected disability of an employee.

## **SECTION 20 – CALIFORNIA PUBLIC EMPLOYEES’ RETIREMENT SYSTEM**

### **Tier 1**

Safety – Fire and Safety – Police employees hired prior to November 15, 2012, the effective date of the contract amendment with California Public Employees’ Retirement System (CalPERS), shall receive the 3% at 50 formula retirement plan.

The City's contract with CalPERS for Safety – Fire includes the following optional benefits:

- Fourth Level - 1959 Survivor's Benefit as provided in Section 21574 (May 4, 1998).
- Military Service Credit as provided in Section 21024 (January 4, 1996).
- One-Year Final Compensation as provided Section 20042 (November 1, 1980).
- Credit for Unused Sick Leave as provided in Section 20965 (November 1, 1980).
- Post Retirement Survivors Allowance – fifty percent (50%) as provided by Sections: 21624, 21626, and 21628 (January 1, 1987).
- Cost of Living Allowance two percent (2%) as provided by Section 21329 (April 1, 1971).
- Retired Death Benefit of \$500 as provided in Section 21620 (December 1, 1969).
- Post Retirement Survivor Allowance Continues as provided in Section 21635 (January 1, 2000).
- Death Benefit Continues as provided in Section 21551 (January 1, 2000)
- Prior Service Credit as provided in Section 20055 (January 1, 1950).

The City’s contract with CalPERS for Safety - Police includes the following optional benefits:

- Fourth Level - 1959 Survivor's Benefit as provided in Section 21574 (June 30, 1996).
- Military Service Credit as provide in Section 21024 (January 4, 1996).
- One-Year Final Compensation as provided in Section 20042 (November 1, 1980).
- Credit for Unused Sick Leave as provided in Section 20965 (November 1, 1980).
- Cost of Living Allowance two percent (2%) as provided by Section 21329 ( April 1, 1971).
- Retired Death Benefit of \$500 as provided in Section 21620 (December 1, 1969).
- Death Benefit Continues as provided in Section 21551 (January 1, 2000).
- Prior Service Credit as provided in Section 20055 (January 1, 1950).

Miscellaneous employees hired prior to December 28, 2012, the effective date of the CalPERS contract amendment, shall receive the 2% at 55 formula retirement plan.

The City's contract with CalPERS for Miscellaneous includes the following optional benefits:

- Third Level - 1959 Survivor's Benefit as provided in Section 21573 (April 5, 1999).
- Military Service Credit as provided in Section 21024 (January 1, 1992).
- One-Year Final Compensation as provided Section 20042 (November 1, 1980).
- Credit for Unused Sick Leave as provided in Section 20965 (November 1, 1980).
- Cost of Living Allowance two percent (2%) as provided by Section 21329 (April 1, 1971).

- Retired Death Benefit of \$500 as provided in Section 21620 (December 1, 1969).
- Death Benefit Continues as provided in Section 21551 (January 1, 2000).
- Prior Service Credit as provided in Section 20055 (January 1, 1950).

#### Tier 2

Safety – Fire and Safety – Police employees who are considered by CalPERS to be “classic” members hired after November 15, 2012, the effective date of the amended contract with CalPERS, shall receive the 3% at 55 formula retirement plan and the three-year final average compensation.

The following optional benefits will remain in effect for Safety - Fire employees in the second retirement tier:

- Fourth Level - 1959 Survivor's Benefit as provided in Section 21574.
- Military Service Credit as provide in Section 21024.
- Credit for Unused Sick Leave as provided in Section 20965.
- Post Retirement Survivors Allowance as provided by Sections: 21624, 21626, and 21628.
- Cost of Living Allowance two percent (2%) as provided by Section 21329.
- Retired Death Benefit of \$500 as provided in Section 21620.
- Post Retirement Survivor Allowance Continues as provided in Section 21635.
- Death Benefit Continues as provided in Section 21551.
- Prior Service Credit as provided in Section 20055.

The following optional benefits will remain in effect for Safety - Police employees in the second retirement tier:

- Fourth Level - 1959 Survivor's Benefit as provided in Section 21574.
- Military Service Credit as provide in Section 21024.
- Credit for Unused Sick Leave as provided in Section 20965.
- Cost of Living Allowance two percent (2%) as provided by Section 21329.
- Retired Death Benefit of \$500 as provided in Section 21620.
- Death Benefit Continues as provided in Section 21551.
- Prior Service Credit as provided in Section 20055.

Miscellaneous employees who are considered by CalPERS to be “classic” members hired after December 28, 2012, the effective date of the amended contract with CalPERS, shall receive the 2% at 60 formula retirement plan and the three-year final average compensation.

The following optional benefits will remain in effect for Miscellaneous employees in the second retirement tier:

- Third Level - 1959 Survivor's Benefit as provided in Section 21573.
- 1957 Survivor Allowance as provided in Section 21546.
- Military Service Credit as provided in Section 21024.

- Credit for Unused Sick Leave as provided in Section 20965.
- Cost of Living Allowance two percent (2%) as provided by Section 21329.
- Retired Death Benefit of \$500 as provided in Section 21620.
- Death Benefit Continues as provided in Section 21551.
- Prior Service Credit as provided in Section 20055.

### Tier 3

New Safety employees hired on or after January 1, 2013 who meet the definition of a new CalPERS member under the Public Employees' Pension Reform Act (PEPRA) shall receive the 2.7% at 57 retirement formula with three-year final average compensation and applicable optional benefits.

New Miscellaneous employees hired on or after January 1, 2013 who meet the definition of a new CalPERS member under the Public Employees' Pension Reform Act (PEPRA) shall receive the 2% at 62 retirement formula with three-year final average compensation and applicable optional benefits.

The City shall continue to defer that portion of the employee's contribution paid to CalPERS through section 414(h)(2) of the Internal Revenue Code pursuant to City of Petaluma Resolution 90-363 N.C.S.

All employees shall pay an additional three percent (3%) towards PERS retirement. For Classic Safety – Fire and Safety – Police employees, this three percent (3%) is added to the nine percent (9%) member contribution, for a total contribution of twelve percent (12%). Employees subject to the PEPRA formula shall also pay an additional three percent (3%) on top of their required employee contribution, as established annually by PERS. For Classic Miscellaneous employees, this three percent (3%) is added to the seven percent (7%) member contribution, for a total contribution of ten percent (10%). Employees subject to the PEPRA formula shall also pay an additional three percent (3%) on top of their required employee contribution, as established annually by PERS.

## **SECTION 21 – HEALTH BENEFITS – ACTIVE EMPLOYEES**

### **21.1 Active Employees – PEMHCA Contribution**

The City currently provides health benefits through the California Public Employees' Retirement System (CalPERS) Health Benefits Program under the Public Employees' Medical and Hospital Care Act (PEMHCA). The City's employer contribution for each employee's health benefits shall be the minimum required by PEMHCA ("PEMHCA minimum"). The City pays this contribution directly to CalPERS. This amount is established annually by PERS and is the minimum amount the agency must pay on behalf of the employee for medical insurance. It is separate and apart from the annual health insurance rates and the additional contribution noted below.

### **21.2 Additional Contribution – Effective January 1, 2021**

The amount of the City's additional contribution for current employees and their covered family members shall be \$637.11 for employee only, \$1,410.07 for employee plus one, and \$1,873.84 for employee plus two or more. These amounts do not include the City PEMHCA contribution identified in 21.1. The City's additional contribution shall not exceed these amounts unless and until a different amount is defined by the compensation plan.

Coverage	2021 Health Rates (Based on 2021 Kaiser Permanente Rates)	PEMHCA Contribution (Added to the City's Benefit Contribution)	2021 Health Rate Less the PEMHCA Contribution	City's Benefit Contribution of 95%	Total 2021 City's Contribution Rate	Employee Contribution KAISER
Employee Only	\$813.64	\$143.00	\$670.64	\$637.11	\$780.11	\$33.53
Employee + 1	\$1,627.28	\$143.00	\$1,484.28	\$1,410.07	\$1,553.07	\$74.21
Employee + 2 or more	\$2,115.46	\$143.00	\$1,972.46	\$1,873.84	\$2,016.84	\$98.62

21.3 Additional Contribution – Effective January 1, 2022

The 2022 CalPERS premium for Kaiser – Bay Area and required 2022 PEMHCA contribution are unknown.

21.4 Additional Contribution – Effective January 1, 2023

The 2023 CalPERS premium for Kaiser – Bay Area and required 2023 PEMHCA contribution are unknown.

21.5 Employee Contribution

Employees shall contribute to his/her CalPERS Health Premium in the amounts less the City's PEMHCA contribution and less the additional benefit paid by the City.

## **SECTION 22 – HEALTH BENEFITS – RETIRED EMPLOYEES**

22.1 Retired Employees – CalPERS and PEMHCA

The City currently provides health benefits through the CalPERS Health Benefits Program under the PEMHCA. In order for a retired employee to be eligible to receive health benefits through CalPERS upon retirement, a retired employee must meet the following definition of “annuitant” under CalPERS law:

- (A) Employee must be a member of CalPERS; and
- (B) Employee must retire within one-hundred-twenty (120) days of separation from employment with the City of Petaluma and receive a monthly retirement allowance from CalPERS.

22.2 “Unequal Contribution” Method for Health Care Premium Payments for Retirees

The City uses the “unequal contribution” method for health care premium payments for annuitants (retirees) as permitted under Government Code section 22892. Under this method, the City is required annually to increase the total monthly annuitant health care contribution to equal an amount not less than the number of years the City has been in the PEMHCA program multiplied by five percent (5%) of the current monthly employer contribution for active employees until the time the City's contribution for annuitants equals the City's PEMHCA contribution paid for active employees.



Effective calendar year 2014 the “unequal contribution” method for health care premium payments for annuitants (retirees) will be at the twenty-year mark. Thus, the City’s contribution for the PEMHCA program will be at 100% (5% x 20 years). Therefore, the monthly employer contribution for annuitants is the required minimum PEMHCA contribution.

The City pays this contribution directly to CalPERS. The retiree is required to contribute to the cost of the health benefit coverage. The retiree’s monthly contribution shall be the cost of the monthly health benefit premium less the amount of the City’s contribution.

22.3 CalPERS Annuitant – PEMHCA Health Benefits

In accordance with the PEMHCA provisions if an employee is a CalPERS annuitant and receives health benefits under the PEMHCA, the employee is eligible to receive the City’s PEMHCA contribution amount specified in Section 22.5 below, regardless of the number of years of service with the City of Petaluma.

22.4 Less Than 12 Years of Service – Not Receiving PEMHCA Health Benefits

A retired employee with less than twelve (12) years of service with the City of Petaluma who is not enrolled in the CalPERS health benefit program does not receive any retiree benefit from the City.

22.5 Less Than 12 years of Service – Receiving PEMHCA Health Benefits

A retired employee with less than twelve (12) years of service with the City of Petaluma who is a CalPERS annuitant as defined in Section 22.1 and enrolled in the CalPERS health benefit program is eligible to receive the minimum PEMHCA contribution as set by CalPERS.

22.6 12-19 Years of Service – Not Receiving PEMHCA Health Benefits

A retired employee with twelve to nineteen (12-19) years of service with the City of Petaluma who is not enrolled in the CalPERS health benefits program shall receive direct payments in the amount of one-hundred and twenty-eight dollars (\$128.00) each month, effective the first month following the expiration of health benefit coverage.

22.7 12-19 Years of Service – Receiving PEMHCA Health Benefits

A retired employee with twelve to nineteen (12-19) years of service with the City of Petaluma who is a CalPERS annuitant as defined in Section 22.1 and enrolled in the CalPERS health benefit program is eligible to receive the minimum PEMHCA contribution as set by CalPERS.

The City’s PEMHCA contribution amount is deducted from the retiree’s monthly health premium and paid to CalPERS directly by the City.

It is the responsibility of the retiree to notify the City in writing if he or she is no longer participating in the CalPERS health benefit program. Following receipt of the written notice, the City will commence direct payment of the one-hundred and twenty-eight dollars (\$128.00) at the beginning of the following month.

22.8 20 Years or More of Service – Not Receiving PEMHCA Health Benefits

A retired employee with twenty (20) or more years of service with the City of Petaluma who is not enrolled in the CalPERS health benefits program shall receive direct payments in the amount of one-hundred-forty dollars (\$140.00) each month, effective the first month following the expiration of health benefit coverage.

22.9 20 Years or More of Service – Receiving PEMHCA Health Benefits

A retired employee with twenty (20) years or more of service with the City of Petaluma who is a CalPERS annuitant as defined in Section 22.1 and enrolled in the CalPERS health benefit program is eligible to receive the minimum PEMHCA contribution as set by CalPERS.

The City's PEMHCA contribution amount is deducted from the retiree's monthly health premium and paid to CalPERS directly by the City.

It is the responsibility of the retiree to notify the City in writing if he or she is no longer participating in the CalPERS health benefit program. Following receipt of the written notice, the City will commence direct payment of the one-hundred-forty dollars (\$140.00) at the beginning of the following month.

**SECTION 23 - CASH IN-LIEU OF HEALTH AND DENTAL BENEFITS**

23.1 Cash In-Lieu

Employees with health and or dental benefit insurance coverage from a source other than the City, or employees with health and dental benefit insurance coverage from a City employee, may request cash in lieu of health and dental benefits. To be eligible for the cash in-lieu benefit program, employees must waive his/her coverage under the City's health and/or dental benefits, agree to the terms and conditions of the cash in-lieu benefit program and have written verification of health and/or dental benefits insurance.

23.2 Employees Hired Before June 1, 2017

For employees hired before June 1, 2017, the cash in-lieu amount for health coverage shall be in the amount of fifty percent (50%) of the health insurance premium amount of the CalPERS Kaiser – Bay-Area Region that the City would otherwise pay for the employee and his or her family members. The cash in-lieu amount for dental insurance benefits shall be in the amount of fifty percent (50%) of the established dental program composite rate.

Upon declining medical and/or dental insurance, the employee will be required to meet the terms and conditions regarding the City's medical and/or dental plan. If an employee decides to stop receiving the medical/dental cash back and wishes to re-enroll into the City's medical and/or dental plan, then he/she must meet the current terms and conditions of the City's medical and/or dental plan. The City cannot guarantee that once the employee leaves a particular medical and/or dental plan, he/she may be able to re-enroll in his/her prior plan and under the same terms and conditions of his/her prior plan.

23.3 All Employees Hired On or After June 1, 2017

For all employees hired on or after June 1, 2017, the cash in-lieu amount for health benefits shall be \$400.00 per month. Employees shall not be eligible for cash in-lieu for dental benefits.

Upon declining medical insurance, the employee will be required to meet the terms and conditions regarding the City's medical plan. If an employee decides to stop receiving the medical cash back and wishes to re-enroll into the City's medical plan, then s/he must meet the current terms and conditions of the City medical plan. The City cannot guarantee that once the employee leaves a particular medical plan, s/he may be able to re-enroll in his/her prior plan and under the same terms and conditions of his/her prior plan.

**SECTION 24 – SECTION 125 PLAN**

The City of Petaluma has established and shall offer to eligible employees an Internal Revenue Code (IRC) Section 125 plan. The Section 125 plan is subject to federal law and plan provisions.

The Section 125 Plan offered by the City provides employees with a tax savings through the following programs:

(A) Pre-Tax Health Insurance Premiums

This program allows employees to pay his or her share of health insurance premiums with pre-tax dollars.

(B) Flex Spending Accounts (FSAs)

(1) Medical Reimbursement

This program permits employees to pay for common out-of-pocket medical expenses (not covered by insurance) such as deductibles, co-pays, and vision and dental care with pre-tax dollars.

(2) Dependent Care Reimbursement

This program permits employees to pay for most child and or dependent care expenses with pre-tax dollars.

**SECTION 25 – DENTAL INSURANCE**

The City shall provide dental plan for the term of the Memorandum of Understanding and pay the total premium costs for the employee and eligible dependents. The annual maximum benefit amount is two thousand dollars (\$2,000.00) per person. Orthodontic coverage (for dependent children only) shall be provided at 50% of the dentist's allowed fee (subject to a \$2,000 lifetime maximum per dependent child). Dependent children are eligible for dental and orthodontic coverage from birth to age 26.

## **SECTION 26 – VISION INSURANCE**

The City shall provide a vision plan for employees and eligible dependents. The cost shall be paid for by the City. Employees are eligible for eye exams once a calendar year with a twenty-five-dollar (\$25.00) copay. Frames are available once a calendar year with a maximum benefit of one hundred eighty dollars (\$180.00). Single vision, lined bifocal, and trifocal lenses are available once a calendar year and are covered with no copay.

## **SECTION 27 – LIFE INSURANCE**

The City shall provide employees with life insurance in the amount of one and one-half (1.5) times the employee's annual salary rounded to the nearest even dollar, not to exceed two-hundred thousand dollars (\$200,000.00)

## **SECTION 28 – EMPLOYEE ASSISTANCE PROGRAM**

The City will provide an Employee Assistance Program to employees and his/her immediate families. This licensed counseling service will provide assistance and referrals for marriage and family problems, alcohol and drug dependency, emotional, personal, and stress-related concerns and other issues. All counseling services are confidential.

## **SECTION 29 – DISABILITY INSURANCE**

The City shall provide for a long-term disability plan, with the premium to be paid for by the City.

## **SECTION 30 - DEFERRED COMPENSATION**

### **30.1 Deferred Compensation Plan – 457 Plan**

The City of Petaluma shall make available to the employees of this unit the City's Deferred Compensation Plan.

### **30.2 Deferred Compensation Plan – Discretionary Plan – 401(A) Plan**

The City of Petaluma shall make available to the employees of this unit the City's 401 (A) Plan. New members will have an opportunity to designate a one-time choice of an additional employee contribution level within ninety (90) days of their appointment date. For additional information, contact the Human Resources office.

## **SECTION 31 – AUTOMOBILE ALLOWANCE**

All members who do not have dedicated access to a City vehicle for business use shall be entitled to receive a \$200 monthly automobile allowance. This allowance will replace any mileage reimbursement that an employee may have otherwise been eligible for day-to-day travel in a personal vehicle.

## EXHIBIT A – SALARY TABLE Unit 8 Compensation Plan

### EFFECTIVE THE FIRST FULL PAY PERIOD FOLLOWING JULY 1, 2021

#### UNIT 8 - MANAGEMENT

Current Classification Title	COLA	Equity Adj.	Total		Monthly Salary Range		
					Minimum		Maximum
ASSIST CITY MANAGER	2.0%	10.1%	12.1%	MONTHLY	14,150.93		18,361.20
ASSIST CITY ATTORNEY	2.0%	12.3%	14.3%	MONTHLY	12,896.00		15,676.27
DIR OF ECONOMIC DEV & OPEN GOVERNMENT	2.0%	8.8%	10.8%	MONTHLY	12,076.13		15,672.80
DIRECTOR OF HUMAN RESOURCES <sup>1</sup>	2.0%	0.0%	2.0%	MONTHLY	11,862.93		15,393.73
DIRECTOR OF FINANCE	2.0%	18.6%	20.6%	MONTHLY	13,145.60		17,057.73
DIR OF PUBLIC WORKS & UTILITIES <sup>2</sup>	2.0%	0.0%	2.0%	MONTHLY	13,062.40		16,950.27
FIRE CHIEF	2.0%	10.9%	12.9%	MONTHLY	15,379.87		18,454.80
POLICE CHIEF	2.0%	10.8%	12.8%	MONTHLY	15,223.87		20,169.07

<sup>1</sup> Pursuant to Resolution# 2021-060 N.C.S., this position has already received the applicable equity adjustment of 6.7%

<sup>2</sup> Pursuant to Resolution# 2021-108 N.C.S., this position has already received the applicable equity adjustment of 13.1%

### THE CITY MANAGER IS AUTHORIZED IN HIS/HER DISCRETION TO PROVIDE UP TO AN ADDITIONAL TWO PERCENT (2.0%) BASE WAGE INCREASE FOR ALL UNIT 8 POSITIONS TO BE EFFECTIVE NO SOONER THAN THE FIRST FULL PAY PERIOD FOLLOWING JULY 1, 2022

#### UNIT 8 - MANAGEMENT

Current Classification Title	COLA		Monthly Salary Ranges Based on 2.0% COLA <sup>3</sup>		
			Minimum		Maximum
ASSIST CITY MANAGER	Up to 2.0%	MONTHLY	14,433.47		18,728.67
ASSIST CITY ATTORNEY	Up to 2.0%	MONTHLY	13,154.27		15,990.00
DIR OF ECONOMIC DEV & OPEN GOVERNMENT	Up to 2.0%	MONTHLY	12,317.07		15,986.53
DIRECTOR OF HUMAN RESOURCES	Up to 2.0%	MONTHLY	12,100.40		15,702.27
DIRECTOR OF FINANCE	Up to 2.0%	MONTHLY	13,409.07		17,399.20
DIR OF PUBLIC WORKS & UTILITIES	Up to 2.0%	MONTHLY	13,324.13		17,290.00
FIRE CHIEF	Up to 2.0%	MONTHLY	15,686.67		18,824.00
POLICE CHIEF	Up to 2.0%	MONTHLY	15,528.93		20,572.93

**NOTE: Salaries are approximate and may vary slightly due to rounding**

<sup>3</sup> The City Manager is authorized in his/her discretion to provide up to a 2.0% COLA, actual increase is subject to City Manager discretion within the provided authority.