

RESOLUTION NO. 2021-026

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA ANA TO AMEND RESOLUTION NO. 2015-026 TO EFFECT CERTAIN CHANGES TO THE CITY'S BASIC CLASSIFICATION AND COMPENSATION PLAN.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SANTA ANA AS FOLLOWS:

Section 1: The City Council of Santa Ana hereby finds, determines and declares as follows:

- A. Section 1004, Article X of the City Charter of the City of Santa Ana requires the City Manager to prepare, install and maintain a position classification and pay plan subject to civil service rules and regulations and the approval of the City Council.
- B. On June 16, 2015, the City Council adopted Resolution No. 2015-026 amending and re-establishing the Basic Classification and Compensation Plan for all Full-Time and Part-Time Classifications of Officers and Employees of the City of Santa Ana.
- C. It is the City's practice to assign job titles that reflect the duties and responsibilities of the classification and are consistent with other classifications within the City's organizational structure as well as comparable job titles in the labor market, while maintaining internal pay equity relationships and attracting and retaining qualified candidates.
- D. The Human Resources Department has completed a review of the various departmental requests to make changes to the City's organizational structure, classification titles, and staffing which revealed the need to effect certain changes to the City's basic classification and compensation plans.
- E. The Human Resources Department desires to establish and delineate the Basic Compensation and Benefit Plan for classes of employment designated as Unrepresented Confidential Middle-Management (CMM), Unrepresented Confidential Administrative Management (CAM) and Unrepresented Confidential Employees (UCE), attached to this resolution as Exhibit "J" and "K" to the Basic Classification and Compensation Plan Resolution No. 2015-026.
- F. The City Council has amended and reestablished the Basic Classification and Compensation Plan on numerous occasions since its adoption.

G. It is now desired to amend Council Resolution No. 2015-026, as amended, in order to effect these changes, as shown below:

Section 2: The Santa Ana City Council amends Resolution No. 2015-026, Exhibit "E" as follows:

A. Deleting the following full-time classification title at the monthly seventeen-step salary rate range indicated:

17-Step Salary Rate Range Effective 1/1/2021
Monthly Salary

<u>Classification Title</u>	<u>SRR</u>	<u>Minimum-Maximum</u>
Assistant Director of Human Resources	MM-26	\$10521-15614

Section 3: The Santa Ana City Council amends Resolution No. 2015-026, to add Exhibit "J" as follows:

A. Adding the full-time classification titles for the following unrepresented middle-management at the monthly seventeen-step salary rate range indicated:

17-Step Salary Rate Range Effective 1/1/2021
Monthly Salary

<u>Classification Title</u>	<u>SRR</u>	<u>Minimum-Maximum</u>
Assistant Director of Human Resources	MM-26	\$10521-\$15614
Chief Assistant City Attorney–Employee Relations (Exempt)	MM-30	\$11612-\$17237
Employee Relations Manager	MM-22	\$9531-\$14147
Human Resources Operations Manager	MM-22	\$9531-\$14147
Human Resources Business Systems Administrator	MM-18	\$8635-\$12816
Senior Assistant City Attorney–Employee Relations (Exempt)	MM-28	\$11052-\$16406

B. Adding the full-time classification titles for the following unrepresented administrative-management at the monthly five-step salary rate range indicated:

5-Step Salary Rate Range Effective 1/1/2021
Monthly Salary

<u>Classification Title</u>	<u>SRR</u>	<u>Minimum-Maximum</u>
Principal Employee Relations Analyst	AM-737	\$8844-\$10752
Senior Employee Relations Analyst	AM-722	\$8221-\$9995

Section 4: The Santa Ana City Council amends Resolution No. 2015-026, to add Exhibit "K" as follows:

- A. Adding the full-time classification titles for the following unrepresented confidential at the monthly six-step salary rate range indicated:

6-Step Salary Rate Range Effective 1/1/2021
Monthly Salary

<u>Classification Title</u>	<u>SRR</u>	<u>Minimum-Maximum</u>
Employee Relations Analyst	UC-663	\$6164-\$7867
Executive Secretary – Human Resources	UC-615	\$4874-\$6226

Section 5: All salary rate range classifications are set forth in the City's Master "Salary Schedule" as periodically updated.

Section 6: That except as amended by this Resolution, all other provisions of Resolution No. 2015-026 as amended shall remain in full force and effect


Section 7: This Resolution is operative from and after July 1, 2021.

ADOPTED this 1st day of June, 2021.



Vicente Sarmiento
Mayor

APPROVED AS TO FORM:

By: 

Sonia R. Carvalho
City Attorney

AYES: Councilmembers Bacerra, Hernandez, Lopez, Mendoza, Phan, Penalzoa, Sarmiento (7)

NOES: Councilmembers None (0)

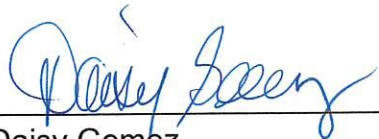
ABSTAIN: Councilmembers None (0)

NOT PRESENT: Councilmembers None (0)

CERTIFICATE OF ATTESTATION AND ORIGINALITY

I, Daisy Gomez, Clerk of the Council, do hereby attest to and certify the attached Resolution No. 2021-026 to be the original Resolution adopted by the City Council of the City of Santa Ana on June 1, 2021

Date: June 4, 2021



Daisy Gomez
Clerk of the Council
City of Santa Ana

EXHIBIT J

THE BASIC COMPENSATION AND BENEFIT PLAN FOR CLASSES OF EMPLOYMENT DESIGNATED AS UNREPRESENTED CONFIDENTIAL MIDDLE-MANAGEMENT (CMM) AND UNREPRESENTED CONFIDENTIAL ADMINISTRATIVE-MANAGEMENT (CAM).

Unrepresented Confidential Middle-Management (CMM) and Unrepresented Confidential Administrative-Management (CAM) Basic Compensation and Benefit Plan Effective, July 1, 2021 and after.

Section 1. Employer-Employee Relations in the Public Service of The City of Santa Ana Resolution 81-75, as authorized by California Government Code (Section 3500, et seq.) defines “Employee, Confidential” as, an employee who is assigned to perform work directly involved in the development, preparation or presentation of management positions with respect to employer-employee relations. Employee, Management means an employee having responsibility for formulating, administering, or managing the implementation of City policies or programs, including but not limited to, department and assistant department heads, division heads, and professional administrative staff employees employed to render advice and assistance pertaining to the conduct of legal, fiscal, budgetary, personnel management, and employer-employee relations affairs of the City.

Section 2. Unrepresented Confidential Middle-Management (CMM) Classification and Compensation Plan.

A. Unrepresented Confidential Middle-Management (CMM) Employee Classifications

Assistant Director of Human Resources
Chief Assistant City Attorney-Employee Relations (Exempt from Civil Service)
Employee Relations Manager
Human Resources Operations Manager
Human Resources Business Systems Administrator
Senior Assistant City Attorney–Employee Relations (Exempt from Civil Service)

B. Schedule of Salaries: A schedule showing salary rate ranges for classifications of employment designated as unrepresented confidential middle-management (CMM) at the seventeen step salary rate range referenced as Exhibit “B” of the City’s Master Salary Schedule same as those

middle-management (MM) represented Santa Ana Management Association (SAMA) classes of employment is listed as follows:

<u>Unrepresented CMM Classifications</u>	<u>Salary Range</u>
Assistant Director of Human Resources	MM-26
Chief Assistant City Attorney-Employee Relations (Exempt)	MM-30
Employee Relations Manager	MM-22
Human Resources Operations Manager	MM-22
Human Resources Business Systems Administrator	MM-18
Senior Assistant City Attorney–Employee Relations (Exempt)	MM-28

Section 3. Unrepresented Confidential Administrative-Management (CAM) Classification and Compensation Plan.

A. Unrepresented Confidential Administrative-Management (CAM) Employee Classification

Principal Employee Relations Analyst
Senior Employee Relations Analyst

- B. Schedule of Salaries: A schedule showing salary rate ranges for classifications of employment designated as unrepresented confidential administrative-management (CAM) at the five-step salary rate range same as those administrative management (AM) represented by Santa Ana Management Association (SAMA) classes of employment as listed as follows:

<u>Unrepresented CAM Classifications</u>	<u>Salary Range</u>
Principal Employee Relations Analyst	AM-737
Senior Employee Relations Analyst	AM-722

The Unrepresented Confidential Management salary schedules contain several salary ranges; each salary range is shown in monthly amounts. The ranges are identified by a two-digit number preceded by the capital letters “MM” for Middle Management and “AM” for Administrative Management. The salaries within each salary range are identified by the minimum salary of the range up to the maximum salary of the range.

Terminal Classifications. Should a classification be identified as a terminal classification, the capitalized letter “T” shown within parenthesis [i.e., (T)] next to a classification title signifies a position classification that has been designated as “terminal” by formal City Council action and, as such, will be deleted from The Basic Classification and Compensation Plan for Unrepresented Confidential Management CMM or CAM classifications of employment when vacated by its last remaining incumbent. No new appointment may be made to a classification that has been designated as terminal.

Section 4. Administration and Applicability of the Basic Classification and Compensation and Benefit Plan for Classifications of Employment Designated as Unrepresented Confidential Middle-Management (CMM) and Unrepresented Confidential Administrative-Management (CAM).

A. Unless specified otherwise herein, Unrepresented Confidential Management listed in Section 2 and Section 3 of this Exhibit will be afforded, and/or subject to the same provisions and/or changes in salaries, compensation, and benefits including but not limited to; cost of living adjustments; bi-lingual pay; pay additives; fringe benefit plans and allowances; City's Section 125 Plan; group health, dental, term life, and long-term disability allowances and plans; cafeteria plan; wellness plan benefits; technology stipend; access to participation in the City's voluntary benefit plans (e.g., vision, flexible spending accounts, supplement life insurance, and 457(b) deferred compensation plan); CalPERS Retirement System; Retirement Health Savings Plan (RHS) participation, including any employer contribution to the employee's individual RHS plan or the same employer contribution to an association's retiree health savings or similar plan on behalf of the member; as provided and available to those represented in the Santa Ana Management Association (SAMA) unit.

B. Compensation Plan Implementation. Upon implementation of the Basic Classification and Compensation Plan set forth in Sub-section 2.B and 3.B. of this Resolution Exhibit, a current incumbent of an Unrepresented Confidential Management CMM or CAM classification listed herein above unless specified otherwise herein, will be afforded, and/or subject to the same provisions in salaries, compensation, attendance, work day, and work week as provided and available to those represented in the SAMA unit.

C. Temporary Upgrade to a CMM or CAM Classification. Regular employees of the City who are incumbents of classes of employment not included in this resolution exhibit and who are temporarily upgraded into a higher classification for a limited duration to an CMM or CAM classification due to a current incumbent's leave of absence or out-of-class temporary appointment as defined in Section 4.D. below, shall receive a minimum five percent (5%) temporary upgrade pay as defined by CCR 571(a)(3) as "compensation to employees who are required by their employer or governing body to work in an upgraded position/classification of limited duration", and is intended to meet the definition of "Compensation Earnable" for Classic members of CalPERS as provided by the Public Employees' Retirement Law (PERL), and Government Code (G.C.) section 20636.

D. Out-of-Class Appointment to a CMM or CAM Classification. Regular employees of the City who are incumbents of classes of employment not included in this resolution exhibit and who are appointed to an “out-of-class appointment” as defined in Gov. Code section 20480 of the Public Employees’ Retirement Law (PERL) as, “an appointment to an upgraded position or higher classification by an employer or governing body in a vacant position for a limited duration not to exceed nine-hundred sixty (960) hours in a fiscal year”. A “vacant position” refers to “a position that is vacant during recruitment for a permanent appointment”. A vacant position does not refer to a position that is temporarily available due to another employee’s leave of absence. Employees temporarily upgraded to a unrepresented management classifications designated as CMM or CAM shall receive a minimum five percent (5%) temporary upgrade premium as defined by CCR 571(a)(3) as “compensation to employees who are required by their employer or governing body to work in an upgraded position/classification of limited duration”, and is intended to meet the definition of “Compensation Earnable” for Classic members of CalPERS as provided by the Public Employees’ Retirement Law (PERL), and Government Code (G.C.) section 20636.

E. Reallocation of Salary Rate Ranges. When an employee is in a CMM or CAM classification, which is reallocated from the current salary rate range to a different salary rate range, the employee will retain the same salary he or she held prior to the reallocation.

Section 5. Health and Welfare Benefits.

The following insurance benefits available to Unrepresented Confidential Management employees are provided through the City’s Section 125 Cafeteria Plan adopted in accordance with the provisions of Internal Revenue Code § 125.

Under City Council Resolution No. 98-52, the City elected to be subject to the Public Employees’ Medical & Hospital Care Act (PEMHCA) to provide medical insurance through CalPERS for management members. The City’s contribution for each employee meets the statutory minimum using the “Unequal Method” California Government Code § 22892(c) (AB-2544).

The City will contribute an allowance, which includes the PEMHCA statutory minimum towards the employee’s cafeteria plan in the same amount as available to the SAMA unit covered under the PEMHCA plan.

Section 6. Leave Accruals and Cash-Out Provisions.

Unless otherwise provided, the same leave accrual, maximum accrual, and cash-out provisions provided to the members of the SAMA unit, will also be offered to the classifications listed in this resolution exhibit including but not limited to; sick, paid holidays, floating holidays, holiday closures, vacation, “must-use” vacation,

management vacation, bereavement leave, military leave, jury duty, witness leave, catastrophic, and industrial/workers compensation leave.

Section 7. Retirement Plan Contributions.

A. The terms of the existing contract between the City and California Public Employees' Retirement System (CalPERS) governing the City retirement benefits of Unrepresented Confidential Management employees covered by this Resolution are incorporated by reference herein. The City will make contributions to CalPERS in accordance with its contract with CalPERS for employees covered by said contract as amended.

B. The California Public Employees' Pension Reform Act (PEPRA) went into effect on January 1, 2013. Based on consideration of various eligibility factors, PEPRA defines each employee as either a "classic" or "new" member of CalPERS.

C. 2.7% at 55 Service Retirement Benefit for Classic Miscellaneous Members. The City agrees to provide CMM and CAM employees covered by this Resolution, and who are defined as Classic Miscellaneous Members under the California Public Employees' Pension Reform Act (PEPRA) of 2013 (AB340), with the 2.7% at 55 Service Retirement benefit.

D. Payment of 2.7% at 55 Service Retirement Benefit. Classic Miscellaneous CMM and CAM employees covered by this Resolution will contribute eight percent (8%) of CalPERS reportable compensation toward the employer cost of the 2.7% at 55 enhanced retirement formula. This payment will be implemented as cost-sharing pursuant to Government Code Section 20516(f).

1. Pre-Taxable Benefit. To the extent permitted by CalPERS and Internal Revenue Service regulations, this eight percent (8%) employee contribution will be implemented through payroll deductions on a pre-tax basis.

E. 2.0% at 62 Service Retirement Benefit for New Miscellaneous Members. The City agrees to provide CMM and CAM employees covered by this Resolution who were appointed to their classification on or after January 1, 2013, and who are defined as new members under the California Public Employees' Pension Reform Act (PEPRA) of 2013 (AB340), with the 2.0% at 62 Service Retirement benefit.

F. Payment of 2.0% at 62 Service Retirement Benefit. CMM and CAM employees defined in 7.E. (above) will contribute at least 50% of normal cost of the 2.0% at 62 retirement benefit.

1. Pre-Taxable Benefit. To the extent permitted by CalPERS and Internal Revenue Service regulations, the City will make the above employee deductions pre-tax contributions.

G. Final Compensation for Pension Calculation. Final compensation for Classic Miscellaneous Members will be based on the highest annual average compensation earnable during the 12 consecutive months immediately preceding the effective date of their retirement, or some other 12 consecutive month period designated by the member.

Final compensation Miscellaneous Members who are defined as New Members under PEPRA will be based on the highest annual average compensation earnable during the 36 consecutive months immediately preceding the effective date of their retirement, or some other 36 consecutive month period designated by the member.

H. Deferred Retirement for Classic Miscellaneous Members as defined in Section D (above). The City will continue to make payments to CalPERS on behalf of each eligible affected employee in an amount necessary to pay one hundred percent (100%) of each employee's member contribution and report it to CalPERS as special compensation [Government Code §20636(C)(4)]. This contribution is known as Employer Paid Member Contribution (EPMC), which is equal to eight percent (8%) of reportable compensation for Classic Miscellaneous Members. Such payments will be credited to the individual employee's CalPERS account.

Such payments are not an increase in base salary and no salary rate range applicable to any of the employees covered by this Resolution will be changed or deemed to have been changed by reason thereof. As a result, the City will not treat these payments as ordinary income and thus will not withhold federal or state income tax from said payments. The City previously received a ruling from the Internal Revenue Service confirming that such payments are deferred compensation and not ordinary income. In the event that the City receives a new ruling from the Internal Revenue Service that such payments are ordinary income of the employees instead of deferred compensation, the City's obligation to make such payments will discontinue and in place thereof the reportable compensation of each Classic Miscellaneous Member eligible for the 2.7% at 55 Benefits Formula will be increased by eight percent (8%).

For the purpose of reporting an employee's compensation to CalPERS, the City will include these payments as if they were a part of the employee's reportable compensation.

Section 8. Tuition Reimbursement

Unrepresented Confidential Management employees are eligible to participate in the Training and Education Assistance Program provided for all regular, full-time employees of the City. Reimbursement will be based on the cost of tuition, required enrollment/registration fees, miscellaneous fees (health, parking, student union fees, etc.) and all required texts, eBooks and related material for each course. Maximum tuition reimbursement will be paid the same amount as available to represented SAMA members.

Section 9. Retirement Health Savings (RHS) Plan

A. Employees participate in the “Vantage Care” Retirement Health Savings Plan (RHS), which designated ICMA-RC as the administrator of the plan. The City shall make contributions into the individual accounts of Unrepresented Confidential Management employees as provided to the members of the represented SAMA unit.

1. Unrepresented Confidential Management employees will contribute one and one-quarter percent (1.25%) of base pay into their individual RHS account each pay period.

2. Unrepresented Confidential Management employees shall have the option to amend the current management plan design by mutual agreement of the majority including the SAMA membership within in the City’s agreement with ICMA-RC.

3. The City will contribute one percent (1%) of employee’s base pay deposited into their individual RHS account each pay period.

Section 10. Deferred Compensation

The City has established and maintains a deferred compensation plan pursuant to the provisions of Section 457(b) of the Internal Revenue Code. CMM and CAM employees covered under this resolution, at their sole discretion, may defer to have deposited into the City’s 457(b) plan a portion of their compensation up to the maximum amount permitted by law.

As permissible by law if the City is desirous of establishing a 401(a) deferred compensation plan at a future date, Unrepresented Confidential Management employees covered under this resolution, at their sole discretion, may elect to participate into said 401(a) plan upon its establishment, and defer a portion of their compensation up to the maximum amount permitted by law to the same extent as the SAMA unit.

All contributions into the 457(b) and 401(a) plan are voluntary employee contributions and will meet the requirements of the Internal Revenue Code.

Section 11. Miscellaneous Provisions

A. Catastrophic Leave Donation. Unrepresented Confidential Management employees will be eligible to donate and receive catastrophic leave donations as provided to all other represented SAMA members.

B. At-Will Employment Relationship. Classifications; Chief Assistant City Attorney-Employee Relations and Senior Assistant City Attorney-Employee Relations are defined as not excepted by the Civil Service System as defined in Section 1002 of the City of

Santa Ana Code of Ordinance, Charter Article X – Civil Service and are considered to be employed “at-will” as defined by the California Labor Code section 2922. The classifications identified in this section will be appointed by and report to the City Attorney and nothing in this Resolution Exhibit shall prevent, limit, or otherwise interfere with the right of the City Attorney or the City Manager to terminate employment at any time, with or without cause of an employee whose classification is listed in this section.

EXHIBIT K

THE BASIC COMPENSATION AND BENEFIT PLAN FOR CLASSES OF EMPLOYMENT DESIGNATED AS UNREPRESENTED CONFIDENTIAL EMPLOYEES (UCE).

Unrepresented Confidential Employees (UCE) Basic Compensation and Benefit Plan
Effective, July 1, 2021 and after.

Section 1. Employer-Employee Relations in the Public Service of The City of Santa Ana Resolution 81-75, as authorized by California Government Code (Section 3500, et seq.) defines “Employee, Confidential” as, an employee who is assigned to perform work directly involved in the development, preparation or presentation of management positions with respect to employer-employee relations.

Section 2. Unrepresented Confidential Employees (UCE) Classification and Compensation Plan.

A. Unrepresented Confidential Employee (UCE) Classifications

Employee Relations Analyst
Executive Secretary – Human Resources

B. Schedule of Salaries A schedule showing salary rate ranges for classifications of employment designated as unrepresented confidential employees (UCE) at the six-step salary rate range same as those represented by Confidential Association of the Santa Ana (CASA) classes of employment as listed as follows:

<u>Unrepresented UCE Classifications</u>	<u>Salary Range</u>
Employee Relations Analyst	UC-663
Executive Secretary – Human Resources	UC-615

The Unrepresented Confidential Employees’ salary schedule contains several salary ranges, each salary range is shown in monthly amounts. The ranges are identified by a two-digit number preceded by the capital letters “UC” Unaffiliated Confidential. The salary within each salary range is identified by the minimum salary of the range up to the maximum salary of the range.

Terminal Classifications. Should a classification be identified as a terminal classification, the capitalized letter “T” shown within parenthesis [i.e., (T)] next to a classification title signifies a position classification that has been designated as

“terminal” by formal City Council action and, as such, will be deleted from The Basic Classification and Compensation Plan for Unrepresented Confidential Employees (UCE) classifications of employment when vacated by its last remaining incumbent. No new appointment may be made to a classification that has been designated as terminal.

Section 4. Administration and Applicability of the Basic Classification and Compensation and Benefit Plan for Classifications of Employment Designated as Unrepresented Confidential Employees (UCE).

A. Unless specified otherwise herein, Unrepresented Confidential Employees listed in Section 2 of this Exhibit will be afforded, and/or subject to the same provisions and/or changes in salaries, compensation and benefits including but not limited to; cost of living adjustments; overtime; bi-lingual pay; assignment and other special pay additives; fringe benefit plans and allowances; City’s Section 125 Plan; group health, dental, term life, and long-term disability allowances and plans; access to participation in the City’s voluntary benefit plans (e.g., vision, flexible spending accounts, supplement life insurance, and 457(b) deferred compensation plan); CalPERS Retirement System; Retirement Health Savings Plan (RHS) participation, including any (if applicable) employer contribution to the employee’s individual RHS plan or the same employer contribution to an association’s retiree health savings or similar plan on behalf of the member, as provided and available to those represented in the CASA unit.

B. Compensation Plan Implementation. Upon implementation of the Basic Classification and Compensation Plan set forth in Sub-section 2.B. of this Resolution Exhibit, a current incumbent of an UCE classification listed herein above unless specified otherwise herein, will be afforded, and/or subject to the same provisions in salaries, compensation, attendance, workday, and work week as provided and available to those represented in the CASA unit.

C. Temporary Upgrade to a UCE Classification. Regular employees of the City who are incumbents of classes of employment not included in this resolution exhibit and who are temporarily upgraded into a higher classification for a limited duration to a UCE classification due to a current incumbent’s leave of absence or out-of-class temporary appointment as defined in Section 4.D below, shall receive a minimum five percent (5%) temporary upgrade pay as defined by CCR 571(a)(3) as “compensation to employees who are required by their employer or governing body to work in an upgraded position/classification of limited duration”, and is intended to meet the definition of “Compensation Earnable” for Classic members of CalPERS as provided by the Public Employees’ Retirement Law (PERL), and Government Code (G.C.) section 20636.

D. Out-of-Class Appointment to a UCE Classification. Regular employees of the City who are incumbents of classes of employment not included in this resolution exhibit and who are appointed to an “out-of-class appointment” as defined in Gov. Code section 20480 of the Public Employees’ Retirement Law (PERL) as, “an appointment to an upgraded position or higher classification by an employer or governing body in a vacant position for a limited duration not to exceed nine-hundred sixty (960) hours in a fiscal year”. A “vacant position” refers to “a position that is vacant during recruitment for a permanent appointment”. A vacant position does not refer to a position that is temporarily available due to another employee’s leave of absence. Employees temporarily upgraded to a unrepresented management classifications designated as UCE shall receive a minimum five percent (5%) temporary upgrade premium as defined by CCR 571(a)(3) as “compensation to employees who are required by their employer or governing body to work in an upgraded position/classification of limited duration”, and is intended to meet the definition of “Compensation Earnable” for Classic members of CalPERS as provided by the Public Employees’ Retirement Law (PERL), and Government Code (G.C.) section 20636.

D. Reallocation of Salary Rate Ranges. When an employee is in a UCE classification which is reallocated from the current salary rate range to a different salary rate range, the employee will retain the same salary he or she held prior to the reallocation.

Section 5. Health and Welfare Benefits.

The following insurance benefits available to UCE employees are provided through the City’s Section 125 Cafeteria Plan adopted in accordance with the provisions of Internal Revenue Code § 125.

Under City Council Resolution No. 98-53, the City elected to be subject to the Public Employees’ Medical & Hospital Care Act (PEMHCA) to provide medical insurance through CalPERS for unrepresented confidential employees. The City’s contribution for each employee meets the statutory minimum using the “Unequal Method” California Government Code § 22892(c) (AB-2544).

The City will contribute an allowance, which includes the PEMHCA statutory minimum towards the employee’s health premium covered under the PEMHCA plan to the same extent afforded to those members of the CASA unit.

Section 6. Leave Accruals and Cash-Out Provisions.

Unless otherwise provided, the same leave accrual, maximum accrual, and cash-out provisions provided to the members of the CASA unit, will also be offered to the classifications listed in this resolution exhibit including but not limited to; sick, paid holidays, floating holidays, holiday closures, vacation, “must-use” vacation, comp time, bereavement leave, military leave, jury duty, witness leave, catastrophic, and industrial/workers compensation leave.

Section 7. Retirement Plan Contributions.

A. The terms of the existing contract between the City and California Public Employees' Retirement System (CalPERS) governing the City retirement benefits of UCE employees covered by this Resolution are incorporated by reference herein. The City will make contributions to CalPERS in accordance with its contract with CalPERS for employees covered by said contract as amended.

B. The California Public Employees' Pension Reform Act (PEPRA) went into effect on January 1, 2013. Based on consideration of various eligibility factors, PEPRA defines each employee as either a "classic" or "new" member of CalPERS.

C. 2.7% at 55 Service Retirement Benefit for Classic Miscellaneous Members. The City agrees to provide UCE employees covered by this Resolution, and who are defined as Classic Miscellaneous Members under the California Public Employees' Pension Reform Act (PEPRA) of 2013 (AB340), with the 2.7% at 55 Service Retirement benefit.

D. Payment of 2.7% at 55 Service Retirement Benefit. Classic Miscellaneous UCE employees covered by this Resolution will contribute eight percent (8%) of CalPERS reportable compensation toward the employer cost of the 2.7% at 55 enhanced retirement formula. This payment will be implemented as cost-sharing pursuant to Government Code Section 20516(f).

1. Pre-Taxable Benefit. To the extent permitted by CalPERS and Internal Revenue Service regulations, this eight percent (8%) employee contribution will be implemented through payroll deductions on a pre-tax basis.

E. 2.0% at 62 Service Retirement Benefit for New Miscellaneous Members. The City agrees to provide UCE employees covered by this Resolution who were appointed to their classification on or after January 1, 2013, and who are defined as new members under the California Public Employees' Pension Reform Act (PEPRA) of 2013 (AB340), with the 2.0% at 62 Service Retirement benefit.

F. Payment of 2.0% at 62 Service Retirement Benefit. UCE employees defined in 6.E. (above) will contribute at least 50% of normal cost of the 2.0% at 62 retirement benefit.

1. Pre-Taxable Benefit. To the extent permitted by CalPERS and Internal Revenue Service regulations, the City will make the above employee deductions pre-tax contributions.

K. Final Compensation for Pension Calculation. Final compensation for Classic

Miscellaneous Members will be based on the highest annual average compensation earnable during the 12 consecutive months immediately preceding the effective date of their retirement, or some other 12 consecutive month period designated by the member.

Final compensation Miscellaneous Members who are defined as New Members under PEPRA will be based on the highest annual average compensation earnable during the 36 consecutive months immediately preceding the effective date of their retirement, or some other 36 consecutive month period designated by the member.

L. Deferred Retirement for Classic Miscellaneous Members as defined in Section D (above). The City will continue to make payments to CalPERS on behalf of each eligible affected employee in an amount necessary to pay one hundred percent (100%) of each employee's member contribution and report it to CalPERS as special compensation [Government Code §20636(C)(4)]. This contribution is known as Employer Paid Member Contribution (EPMC), which is equal to eight percent (8%) of reportable compensation for Classic Miscellaneous Members. Such payments will be credited to the individual employee's CalPERS account.

Such payments are not an increase in base salary and no salary rate range applicable to any of the employees covered by this Resolution will be changed or deemed to have been changed by reason thereof. As a result, the City will not treat these payments as ordinary income and thus will not withhold federal or state income tax from said payments. The City previously received a ruling from the Internal Revenue Service confirming that such payments are deferred compensation and not ordinary income. In the event that the City receives a new ruling from the Internal Revenue Service that such payments are ordinary income of the employees instead of deferred compensation, the City's obligation to make such payments will discontinue and in place thereof the reportable compensation of each Classic Miscellaneous Member eligible for the 2.7% at 55 Benefits Formula will be increased by eight percent (8%).

For the purpose of reporting an employee's compensation to CalPERS, the City will include these payments as if they were a part of the employee's reportable compensation.

Section 8. Tuition Reimbursement

UCE employees are eligible to participate in the Training and Education Assistance Program provided for all regular, full-time employees of the City. Reimbursement will be based on the same provisions and amounts afforded to those in the CASA unit.

Section 9. Retirement Health Savings (RHS) Plan

A. Employees participate in the "Vantage Care" Retirement Health Savings Plan (RHS), which designated ICMA-RC as the administrator of the plan. The City shall make

contributions into the individual accounts of UCE employees as provided to the members of the represented CASA unit.

1. UCE employees will contribute one and one-quarter percent (1.25%) of base pay into their individual RHS account each pay period.

2. UCE employees shall have the option to amend the current plan design by mutual agreement of the majority including the CASA membership within in the City's agreement with ICMA-RC.

Section 10. Deferred Compensation

The City has established and maintains a deferred compensation plan pursuant to the provisions of Section 457(b) of the Internal Revenue Code. UCE employees covered under this resolution, at their sole discretion, may defer to have deposited into the City's 457(b) plan a portion of their compensation up to the maximum amount permitted by law.

As permissible by law if the City is desirous of establishing a 401(a) deferred compensation plan at a future date, UCE employees covered under this resolution, at their sole discretion, may elect to participate into said 401(a) plan upon its establishment, and defer a portion of their compensation up to the maximum amount permitted by law to the same extent as the CASA unit.

All contributions into the 457(b) and 401(a) plan are voluntary employee contributions and will meet the requirements of the Internal Revenue Code.

Section 11. Miscellaneous Provisions

A. Catastrophic Leave Donation. UCE employees will be eligible to donate and receive catastrophic leave donations as provided to all other represented CASA members.