

RESOLUTION NO. 2016-74

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TORRANCE, CALIFORNIA, SETTING FORTH CHANGES REGARDING EMPLOYMENT COMPENSATION FOR EXECUTIVE AND MANAGEMENT EMPLOYEES EFFECTIVE JULY 19, 2016 AND REPEALING RESOLUTION NO. 2015-58.

The City Council of the City of Torrance does hereby resolve as follows:

SECTION I

That Resolution No. 2015-58 is repealed in its entirety.

SECTION II

The following compensation procedure for Executive and Management Employees is hereby approved in its entirety to read as follows:

EXECUTIVE AND MANAGEMENT EMPLOYEES

2016-2017

ARTICLE 1 – COMPENSATION PROVISIONS

SECTION 1.1 MERIT PAY PHILOSOPHY

- A. The merit pay philosophy for the City of Torrance Executives and Managers is to:
1. Attract, retain and motivate qualified employees to foster the attainment of initiatives in support of the City's mission and the directives of the City Manager and City Council.
 2. Establish compensation policies to reward productivity and encourage effective resource utilization.
 3. Structure a compensation plan that is internally equitable and reflects the salary practices of similar public agencies.
 4. Plan, implement and control all compensation expenditures through appropriate budgetary control established at the Department and the City Manager level.
 5. Provide for annual employee performance appraisals to assess management effectiveness in meeting established goals and objectives and to set future goals and objectives.

SECTION 1.2 SALARY METHODOLOGY

- A. The City's Merit Pay Matrix is established under the following principles and practices:
1. A pay range with both an entry point and a reference point shall be established by surveying comparable agencies no later than March 31 every other two year operating budget cycle. The reference point shall be the median of the survey results.
 2. A salary range shall then be established by subtracting 20% from the reference point for the entry of the range.

3. The reference point shall be adjusted annually to the nearest tenth of a percent by May to May Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers for Los Angeles, Riverside, Orange County, California.
4. There shall be a potential for an extended pay adjustment up to 15% beyond the reference point for a performance rating of Meets or Exceeds Expectations.
5. Effective first pay period of Pay Resolution adoption, the reference point for each Executive and Manager classification is listed in Article 2, Section 2.1.

B. The Merit Pay Matrix shall be as follows:

Employee's Overall	Merit Pay Range Rating
Fails to Meet Expectations	0%
Partially Meets Expectations	0% - EGI less 0.5%
Meets Expectations	EGI plus up to 3%
Exceeds Expectations	EGI plus up to X% less than or equal to 10%

Note: EGI refers to Employee General Increase

Such Employee General Increase shall be determined annually by the City Council.

C. Annual Merit increase funding

1. Such Employee General Increase (EGI) shall be determined annually by the City Council with EGI for safety executive staff linked to safety MOUs, not to exceed 5%, and EGI for general executive and management shall be linked to general employee MOUs, plus 2%.
2. This shall be with the exception of the City Clerk and the City Treasurer Departments. The City Clerk and the City Treasurer shall award annual merit increases within the principles and guidelines of the Merit Pay Policies and advise the City Manager of such award.
3. The funding for department managers, exclusive of the City Clerk and City Treasurer departments as noted above, shall be allocated on a pro-rata basis among departments based upon the departments' 1% Manager Cost Factor from the Proposed Budget Labor Compensation Report, adjusted for vacancies.
4. This funding amount shall be referred to as the Department Pool.
5. Funding of executive staff annual merit increases, exclusive of the City Manager and the City Attorney, shall be based upon the City Manager's 1% Executive Staff Cost Factor from the April Labor Compensation Report, adjusted for vacancies. This funding amount shall be referred to as the Annual Fiduciary Department Pool.
6. The City Manager shall award annual merit increases to his/her executive staff from the Annual Fiduciary Department Pool. The City Manager shall award annual merit increases to his/her managers from the City Manager Department Pool.
7. Executive staff reporting to the City Manager shall recommend annual merit increases for his/her managers to the City Manager from their respective Department Pool.
8. The City Attorney shall award annual merit increases for his/her managers from the City Attorney Department Pool.

D. Interim Merit Increases

1. These shall be funded, based upon availability of funding as determined by the City Manager, through the moving wage base in an amount not to exceed 0.5%. City Council, at their discretion, may approve amounts above the base on a year-to-year basis.
2. Such amount may be distributed by the City Manager to executive staff and managers within departments reporting to the City Manager, and by the City Manager, City Attorney, City Clerk and City Treasurer to their respective managers, based on both performance and placement within the pay range.
3. This funding amount shall be referred to as the **Interim Fiduciary Pool**.
 - a. The 0.5% value for the City Manager Interim Fiduciary Pool shall be equal to 0.5% of the Proposed Budget Labor Compensation Report, adjusted for vacancies, for executive staff and manager positions within departments reporting to the City Manager and for managers reporting directly to the City Manager.
 - b. The 0.5% value for the City Attorney Interim Fiduciary Pool shall be equal to 0.5% of the Proposed Budget Labor Compensation Report, adjusted vacancies, for manager positions reporting to the City Attorney.
 - c. The City Clerk and the City Treasurer may award interim merit increases within the limitation of the Merit Pay Plan. The City Manager shall be advised of interim merit increases.

- E. An employee subject to this resolution, may, with the approval of the City Manager or if appropriate, the City Attorney, enter into a written agreement with the City for a long-term modified work schedule (such as half-time), with a commensurate reduction in salary and benefits.

SECTION 1.3 MERIT INCREASES AND PROGRESSION WITHIN THE PAY RANGE

A. Annual pay increases

1. Employees are eligible for annual pay increases effective with the first pay period in July or as approved by City Council. Pay increases are not automatically granted. Employees may be determined to be ineligible to receive a pay increase based upon their overall performance rating.
2. For managers within departments reporting to the City Manager, each department head shall certify a manager's overall rating and recommend an annual merit increase per the Merit Pay Matrix funded through his/her Department Pool.
3. The recommended annual merit increase and supporting performance appraisal shall be submitted to the City Manager prior to granting a merit increase. The performance appraisal shall be reviewed with the manager prior to submitting to the City Manager. The recommended annual merit increase shall not be shared with the manager until approval is received from the City Manager.
4. If a manager receives a rating of "Not Meeting Expectations" or "Partially Meeting Expectations", the department head shall also submit a written action plan for steps to be taken to improve performance.

5. For managers reporting to the City Attorney, the City Attorney shall complete a performance evaluation prior to granting a merit increase and award an annual merit increase from the City Attorney Department Pool per the Merit Pay Matrix.
6. For managers reporting to the City Clerk and the City Treasurer, each elected official shall complete a performance evaluation of their respective deputies by June 15th, and award an annual merit increase per the Merit Pay Matrix. The performance evaluation shall be forwarded to the City Manager with an advisement of annual merit increase awarded. The performance evaluation shall be reviewed with the deputy prior to forwarding to the City Manager. In the event that the deputies do not receive such evaluation by June 30th, the review shall be determined as "Meets Expectations", and the Employee General Increase be awarded.
7. For executive staff and managers reporting to the City Manager, the City Manager shall prepare a written performance appraisal for review with the executive staff/managers prior to granting a merit increase. Such review and resultant overall rating shall provide for an annual merit adjustment per the Merit Pay Matrix. If a member of executive staff or a manager receives a rating of "Not Meeting Expectations" or "Partially Meeting Expectations", the City Manager shall prepare a written action plan for steps to be taken to improve performance.
8. Employees may be eligible for a special interim merit adjustment as set forth in Section II. This will generally be reserved for employees substantially improving performance, or for those within the lower third of the pay range that are meeting or exceeding departmental objectives. However, in no circumstances shall an employee receive total merit increases exceeding 10% in any one year without prior authority from City Council.

SECTION 1.4 NEW HIRES/PROMOTIONS

- A. The normal hiring point shall be the entry point of the position range. However, other factors such as market necessity and/or education and experience of the applicant may require hiring the applicant at a higher rate.
- B. A department head may recommend to the City Manager (or the City Attorney recommend to the City Council) that the applicant be hired above the entry range.
- C. The City Clerk and City Treasurer may hire their respective deputies above the entry point at their discretion.
- D. In no circumstances shall the applicant be hired above the reference point without prior authorization of the City Council.
- E. The City Attorney shall make the appointment and establish the pay point for Legal Counselor.
- F. The City Manager and City Attorney may, during the first year of employment or promotion in a position covered by this Resolution, recognize meritorious work with a special wage adjustment(s) up to a maximum of 10% outside of the merit pool.

SECTION 1.5 GOAL AND OBJECTIVE SETTING PROCESS

- A. The goal and objective setting process is a key factor of the Merit Pay Plan. Goals and objectives must reflect the direction of the City, be understood by the employee, reasonably attainable and measurable. To facilitate the mutual setting of goals, the employee and the rater shall use the following approach:
1. Executive staff, exclusive of the City Attorney, shall review with the City Manager in broad terms the goals and objectives that are being proposed for his/her managers prior to meeting with the manager. This review shall be in conjunction with the setting of department goals and objects and development of the budget work plan.
 2. The employee should be given a minimum of two weeks' notice of the pending performance review.
 3. During this time period, both the employee and the rater shall independently set future goals and objectives that fit the department's and the City's business strategies, and assess accomplishments set at the prior performance review.
 4. During the performance review goals and objectives are arrived at for the new fiscal year, and a review of prior year accomplishments completed.
 5. Executive staff, exclusive of the City Attorney, shall forward the manager performance reviews to the City Manager with the recommended pay adjustment for review with the City Manager during his/her performance review.
 6. Assessment of achieving established goals and objectives is a year-round process. Attainment of goals and objectives shall be discussed with the employee from time to time during the year to review mitigating circumstances to established goals, provide for reprioritization if needed, or to refocus direction of the employee due to changed circumstances.

SECTION 1.6 METHODS OF COMPENSATION

Compensation shall be determined on a monthly basis and shall be fixed according to the responsibilities to be fulfilled and shall not be based on a fixed number of hours per week, nor shall it be affected by variations in work schedules.

SECTION 1.7 REQUIREMENTS AS TO CONTINUITY OF SERVICE

Service requirements for advancement within merit pay matrix, holidays and vacation, shall be based upon continuous and total service as a regular employee.

- A. Leaves of absence without pay of ten working days or less, and leaves with pay shall not interrupt continuous service nor be deducted from total service.
- B. Leaves of absence without pay in excess of ten working days, except for extended military leave, shall be deducted in computing total service but shall not serve to interrupt continuous service.
- C. All unauthorized absences without leave shall be grounds for disciplinary action.

SECTION 1.8 HOURS OF WORK

A. Torrance City Hall will operate on a 9/80 closed schedule with the following hours of operation:

Monday through Thursday: 7:30 a.m. - 5:30 p.m.
 Alternate Fridays: 7:30 a.m. - 5:30 p.m.

B. Other City divisions not located in the City Hall complex may modify schedules for work groups to operate on either a 9/80 "open" or 9/80 "closed" schedule that does not conform to the above.

ARTICLE 2 – COMPENSATION

SECTION 2.1 REFERENCE POINT AND POSITIONS

The following reference points are assigned to the classifications of the following Executive and Management Employees *effective July 19, 2016*.

Title	Reference Point	Benefit Category	Car Allowance Category
Executive Staff			
Police Chief	18,448	A	1
Fire Chief	17,773	A	1
Assistant City Manager	18,565	A	1
Public Works Director	16,977	A	1
Finance Director	16,332	A	1
Community Services Director	14,731	A	1
General Services Director	14,731	A	1
Transit Director	16,257	A	1
Community Development Director	16,014	A	1
Information Technology Director	14,065	A	1
Management Staff			
Assistant City Attorney	15,807	A	3
Deputy City Attorney III	14,370	A	3
Legal Counselor III	14,370	A	3
Deputy Public Works Director - City Engineer	14,146	B	2
Assistant Finance Director	14,146	B	2
Building Regulations Administrator	13,261	B	2
City Librarian	12,770	B	2
Deputy Community Development Director	12,770	B	2
Deputy Public Works Director - Operations	12,770	B	2
Deputy Transit Director	12,684	B	2
Information Technology Manager	12,341	B	2
Engineering Manager/Major Projects	12,341	B	2
Accounting Manager	11,956	B	2
Human Resources Administrator	11,711	B	2
Assistant to the City Manager	11,711	A	3
Cable & Community Relations Manager	11,711	A	1

Title	Reference Point	Benefit Category	Car Allowance Category
Law Office Administrator	11,711	A	3
Park Services Manager	11,603	B	2
Communications Manager	11,603	B	2
Recreation Services Manager	11,596	B	2
Risk Manager	11,584	B	2
Street Operations Manager	11,393	B	2
Streetscape Manager	11,393	B	2
Sanitation Services Manager	11,393	B	2
Principal Planner	11,178	B	2
Engineering Manager	11,178	B	2
Audit Manager	11,178	B	2
Fire Prevention Manager	11,178	B	2
Revenue Manager	11,178	B	2
Administrative Services Manager	11,163	B	2
Facilities Services Manager	11,163	B	2
Facilities Operations Manager	11,163	B	2
Deputy City Attorney II	10,894	A	3
Legal Counselor II	10,894	A	3
Human Resources Manager	10,851	B	2
Transit Manager, Administration	10,381	B	2
Transit Manager, Operations	10,381	B	2
Workers' Compensation Manager	10,370	B	2
Civil Service and Employee Development Manager	10,184	B	2
Economic Development Manager	10,184	A	3
Purchasing Agent	10,024	B	2
Budget Manager	10,024	B	2
Principal Librarian	9,909	B	2
Cultural Services Manager	9,909	B	2
Deputy City Treasurer	9,867	B	2
Fleet Services Manager	9,354	B	2
Human Resources Senior Management Associate	9,209	B	2
Senior/Management Associate	9,009	A	3
Deputy City Attorney I	8,380	A	3
Legal Counselor I	8,380	A	3
Deputy City Clerk	8,188	B	2
Emergency Services Manager	7,492	B	2

SECTION 2.2 PREMIUM PAY

- A. Certain Management Employees assigned to work entailing specified duties which require skills and abilities not contemplated in the employee's normal assignments in the areas described in this Section shall receive premium pay only while so assigned.

- B. Assignments and reassignments shall be made by the department head subject to the approval of the City Manager except as noted for City Attorney's Office as set forth in A), according to workload and skills required, and subject to any special provisions specified in this Section for any particular assignment.
1. At the discretion of the City Attorney, one Assistant or Deputy City Attorney will receive a 5% premium for supervising and training duties. If a Deputy City Attorney receives the premium, he/she may use the working title of Chief Deputy City Attorney.
 2. Assignment:
 - a. Assignment to such assignments shall be made by the department head pursuant to departmental rules and regulations.
 - b. Such assignment shall be subject to budget limitations and levels of service needed.
 - c. The department head may make reassignments he/she deems appropriate pursuant to departmental rules and regulations.
 3. Premium Pay:
Such pay shall be exclusive of special compensation and be considered part of regular compensation for purposes of retirement contributions. All new assignments made after August 29, 1976, shall be paid a premium only for time assigned to such duties.

SECTION 2.3 SUPERVISION PAY

Managers covered by this agreement shall be paid 5% higher than those supervised based on base to base pay.

ARTICLE 3 – WAGE SUPPLEMENTAL BENEFITS

Benefits Summary – Category A		
Health and Dental Insurance (See Section 3.1)	City will pay \$100.00 per month for each employee and eligible annuitant toward medical insurance. Dental Insurance (Employee plus one) Vision Insurance (Employee only) The dental and vision insurance benefit have no cash value if not used.	City will allocate an additional \$322 per month to the employee to be used for the payment of a PERS approved health insurance plan premium or dental insurance. (See Section 3.1 for modifications to health insurance benefits). Employee plus one dependent dental insurance shall be provided.
Life Insurance (See Section 3.1)	City shall cover each individual under a \$100,000 accidental life insurance policy.	City shall cover each individual under a \$200,000 term life insurance policy.
Disability Insurance (See Section 3.1)	Each employee shall be covered by a short-term and a long-term disability program in accordance with all provisions of the commercial insurance policy.	Short-term and long term disability coverage is 2/3 base pay after a 14-day waiting period, not to exceed the age of 65.

Benefits Summary – Category A		
Retirement – For employees hired <u>before</u> September 21, 2010. (See Section 3.2)	City shall pay the 7% employee's contribution or 9% of pay for the positions of Fire Chief and Police Chief to PERS and will provide the 2% @ 55 benefit formula effective November 24, 2000.	The 7% or 9% of pay for the positions of Fire Chief and Police Chief paid by the City for miscellaneous retirement shall be considered as employer-paid member contributions (EMPC).
Retirement – For employees hired <u>on or after</u> September 21, 2010. (See Section 3.2)	For employees hired after the effective date of this resolution, all new hires shall be responsible for the employee's contribution to PERS, currently 7% of pay or 9% of pay for the positions of Fire Chief and Police Chief.	The employee's contribution to PERS, currently 7% of pay or 9% of pay for the positions of Fire Chief and Police Chief, is not considered as employer-paid member contributions (EMPC).
Retirement – For employees hired <u>on or after</u> January 1, 2013. (See Section 3.2)	In accordance with the provisions of the Public Employee Pension Reform Act (PEPRA), employees hired on or after January 1, 2013 who do not qualify as "classic members" of PERS shall be considered "new members" and shall be enrolled in the 2% at age 62 (miscellaneous employees) and 2.7% at age 57 (safety employees) defined benefit formula with final compensation calculation period of three (3) consecutive years. Employees shall be responsible for fifty percent (50%) of the normal cost attributable to the applicable retirement formula. Attachment B provides all of the tracked changes to the new resolution.	
Matching Deferred Compensation Plan (See Section 3.3)	City will match an employee contribution to the deferred income plan up to a maximum of 0.5% of base pay per calendar year.	
Sick Leave except City Manager (See Section 3.4) Sick Leave for City Manager (See Section 3.4.E)		
Industrial Injury Leave (See Section 3.5)	For injuries sustained to non-safety employees prior to August 3, 1997, the following applies: Up to 3 months during the first three years of employment. Up to 6 months during the 4th year of employment. Up to 12 months after four years of employment. Such leave shall be at 90% of regular salary rate.	For injuries sustained to non-safety employees on or after August 3, 1997, the following applies: Up to 3 months during the first three years of employment. Up to 6 months during the 4 th year of employment. Up to 8 months after four years of employment. Such leave shall be at 85% of regular salary rate.
Administrative Leave (See Section 3.6)	Employees shall receive 8 days of administrative leave per fiscal year. This leave may not be cashed out and is non-accruable.	
Holidays (See Sections 3.8 and 3.9)		

Benefits Summary – Category A

Vacation Leave (See Section 3.10)	Each employee shall earn vacation as follows: <ul style="list-style-type: none"> • At the rate of 9.33 hours per month of service. • Commencing with the 2nd year of service, at the rate of 10 hours per month of employment. • Commencing with the 5th year of service, at the rate of 12.67 hours per month of employment. • Commencing with the 10th year of service, at the rate of 16.02 hours per month of employment. • Commencing with the 21st year of service, at the rate of 17.34 hours per month of employment. • Commencing with the 25th year of service, at the rate of 18 hours per month of employment. 	
Bereavement Leave (See Section 3.11)	Each employee shall be entitled to up to 3 work shifts with pay per death of a covered family member.	Additional leave up to 2 work shifts may be granted due to an out-of-state death or funeral, or in the state in excess of 300 miles from the borders of the City of Torrance.
Vehicle Allowance (See Section 3.12)	Employees designated by this resolution to receive a car allowance shall receive a monthly car allowance as specified by City Council. Eligible employees are indicated in Section 2.1.	Such allowance is not intended to cover mileage reimbursement for business trips of over 25 miles each way. Such excess miles (over the 50 miles round trip) shall be reimbursed at the City's specified rate.
Jury Duty (See Section 3.13)		
Reimbursable Expenses (See Section 3.14)	City shall reimburse costs up to \$1,500 per fiscal year for each employee for eligible expenses as defined in Section 3.14.	

Benefits Summary – Category B

Health and Dental Insurance (See Section 3.1)	City will pay \$100.00 per month for each employee and eligible annuitant toward medical insurance. Dental Insurance (Employee plus one) Vision Insurance (Employee only) The dental and vision insurance benefit have no cash value if not used.	City will allocate an additional \$322 per month to the employee to be used for the payment of a PERS approved health insurance plan premium or dental insurance. Effective January 1, 2006, employee only dental insurance shall be provided; effective January 1, 2007, employee plus one dependent dental insurance shall be provided.
Life Insurance (See Section 3.1)	City shall cover each individual under a \$100,000 accidental life insurance policy	City shall cover each individual under a \$100,000 term life insurance policy
Disability Insurance (See Section 3.1)	Each employee shall be covered by a short term and a long-term disability program in accordance with all provisions of the commercial insurance policy.	Short term and long term disability coverage is ⅓ base pay for a period determined by the insurance carrier, after a 14-day waiting period, up to the limits of the policy.

Benefits Summary – Category B		
Retirement – For employees hired <i>before</i> September 21, 2010. (See Section 3.2)	City shall pay the 7% employee's contribution to PERS and will provide the 2% @ 55 benefit formula effective November 24, 2000.	The 7% paid by the City for miscellaneous retirement shall be considered as employer-paid member contributions (EMPC).
Retirement – For employees hired <i>on or after</i> September 21, 2010. (See Section 3.2)	For employees hired after the effective date of this resolution, all new hires shall be responsible for the employee's contribution to PERS, currently 7% of pay.	The employee's contribution to PERS, currently 7% of pay, is not considered as employer-paid member contributions (EMPC).
Retirement – For employees hired <i>on or after</i> January 1, 2013. (See Section 3.2)	In accordance with the provisions of the Public Employee Pension Reform Act (PEPRA), employees hired on or after January 1, 2013 who do not qualify as "classic members" of PERS shall be considered "new members" and shall be enrolled in the 2% at age 62 (miscellaneous employees) and 2.7% at age 57 (safety employees) defined benefit formula with final compensation calculation period of three (3) consecutive years. Employees shall be responsible for fifty percent (50%) of the normal cost attributable to the applicable retirement formula. Attachment B provides all of the tracked changes to the new resolution.	
Matching Deferred Compensation Plan (See Section 3.3)	City will match an employee contribution to the deferred income plan up to a maximum of 0.5% of base pay per calendar year.	
Sick Leave (See Section 3.4)		
Industrial Injury Leave (See Section 3.5)	For injuries sustained prior to August 3, 1997, the following applies: Up to 3 months during the first 3 years of employment. Up to 6 months during the 4 th year of employment. Up to 12 months after 4 years of employment. Such leave shall be at 90% of regular salary rate.	For injuries sustained to non-safety employees on or after August 3, 1997, the following applies: Up to 3 months during the first 3 years of employment. Up to 6 months during the 4 th year of employment. Up to 8 months after 4 years of employment. Such leave shall be at 85% of regular salary rate.
Personal Leave (See Section 3.7)	Employees shall receive a total of 3 days of personal leave at the beginning of each fiscal year. This leave may not be cashed out and is non-accruable.	
Holidays (See Section 3.8 and 3.9)		

Benefits Summary – Category B		
Vacation Leave (See Section 3.10)	Each employee shall earn vacation as follows: At the rate of 9.33 hours per month of service. Commencing with the 2 nd year of service, at the rate of 10 hours per month of employment. Commencing with the 5 th year of service, at the rate of 12.67 hours per month of employment. Commencing with the 10 th year of service, at the rate of 16.02 hours per month of employment. Commencing with the 21 st year of service, at the rate of 17.34 hours per month of employment. Commencing with the 25 th year of service, at the rate of 18 hours per month of employment.	
Bereavement Leave (See Section 3.11)	Each employee shall be entitled to up to 3 work shifts with pay per death of a covered family member as defined for family sick leave.	Additional leave up to 2 work shifts may be granted due to an out-of-state death or funeral, or in the state in excess of 300 miles from the borders of the City of Torrance.
Jury Duty (See Section 3.13)		
Reimbursable Expenses (See Section 3.14)	City shall reimburse costs up to \$750 per fiscal year for each employee for eligible expenses as defined in Section 4.11.	Any amount remaining from the previous fiscal year shall be carried forward to the following fiscal year, for a maximum of 2 years. Any expense remaining from the previous fiscal year shall be carried forward for a maximum of 3 years.
Move up Assignment (See Section 4.2)	An employee moved up to acting department head for one full work day, shall receive a 7½% premium above base salary, and any premium pay received as outlined in Section 3.3 for all such time.	If the temporary absence of the department head continues in excess of 30 consecutive calendar days, the employee shall then be paid at the salary rate of the lowest step for such assigned position which is higher than the current base salary of that employee.

SECTION 3.1 INSURANCE

A. General Insurance

1. The City pays the PERS statutory minimum per month for each employee and eligible annuitants toward medical insurance. The PERS statutory minimum contribution can only apply toward the health insurance premium of one of the authorized PERS health insurance plans. If the employee does not participate in the PERS insurance plans the PERS statutory minimum cannot be used for any other purpose. The Fire Chief will be eligible for retiree medical benefits as an associate member of the Fire Association. The Police Chief, if qualified, is eligible for retiree medical benefits as set forth in the TPOA MOU, Section 6.3.C.2.a, with method of payment as set forth in Section 6.3.C.4.

2. In addition to the PERS statutory minimum, Active Employees shall be provided with an amount, which may be used by the employee to pay for approved health insurance plan premiums, dental, or vision insurance as follows:

Health Insurance				
	No Coverage	1 Party	2 Party	Family
PERS Statutory Minimum	\$0	Statutory Minimum	Statutory Minimum	Statutory Minimum
City Cafeteria Contribution	\$0	Total – Statutory Minimum	Total – Statutory Minimum	Total – Statutory Minimum
Totals	\$0	\$392.68	\$785.36	\$1,020.96
Any amount remaining may be used to offset family dental or towards 2 party or family vision.				

Members who opt out of the cash contribution option cannot select that option in the future. Employees hired after date of ratification of this Resolution will only have the option of single, two-party, and family health insurance coverage.

Given the increases to the health insurance premiums provided for by this Resolution, it is the intent of the Resolution to eliminate the previously-provided cash contribution (i.e., city cafeteria contribution) to those employees who do not take health insurance from the City. However, given that existing employees who have not taken City-paid health insurance have been provided a cash amount as part of their compensation, it is the intent of the Resolution to "grandfather" existing employees as of the date of approval of this Resolution by the City Council with their current cafeteria cash amount of \$322. Employees hired after the effective date of this agreement will not be eligible for the cash in-lieu of selecting a health insurance plan option.

3. Medical Insurance for part-time employees hired prior to January 1, 2008:

	1 Party	2 Party	3 Party
PERS Statutory Minimum	Statutory Minimum	Statutory Minimum	Statutory Minimum
City Cafeteria Contribution	Total – Statutory Minimum	Total – Statutory Minimum	Total – Statutory Minimum
Total	\$345.79	\$674.48	\$871.66

Medical Insurance for part-time employees **hired after January 1, 2008:**

	1 Party	2 Party	3 Party
PERS Statutory Minimum	Statutory Minimum	Statutory Minimum	Statutory Minimum
City Cafeteria Contribution	Total – Statutory Minimum	Total – Statutory Minimum	Total – Statutory Minimum
Total	\$248.84	\$445.18	\$562.98

- B. The City shall cover each Category A employee under a \$100,000 accidental and \$200,000 term life insurance policy, and the City shall cover each Category B employee under a \$100,000 accidental and \$100,000 term life insurance policy. Please note that in accordance with insurance industry standards and provisions of the City's plan, benefits on the term life insurance are adjusted upon reaching age of 70 (65% of value) and the age of 75 (50% of value).

C. Long Term Disability Insurance:

1. Employees covered by this Resolution qualify for the commercial insurance long-term/short-term disability program as follows:

- a. Two-thirds ($\frac{2}{3}$) base pay for a period as determined by the insurance carrier, after a 14-day waiting period, up to the limits of the policy.
- b. Eligibility for all provisions of the commercial plan is in accordance with the commercial insurance policy.
- c. An employee requesting receipt of such benefits will be decreed on a leave of absence and shall receive no other benefits except 3.1.A.1 and 3.1.A.2.

D. Employee plus one dependent dental coverage will be provided at no cost. This benefit has no cash value if not used.

E. Any employee terminating or retiring at the end of the eight-month medical leave of absence shall be paid an amount equal to four months of City health insurance contribution (including health contribution and City supplemental). On a case-by-case basis, the City Manager or his/her designee may waive the eight month eligibility requirement. Such amount shall not exceed the amount received by the employee immediately prior to separation of employment. The employee may choose to receive the full amount subject to 1099, defer the funds to the City 457 plan within the plan guidelines, or receive a net check with the appropriate federal, state and social security deductions. This provision applies only to employees participating in a City-sponsored health insurance program at the time of termination or retirement.

SECTION 3.2 RETIREMENT

A. Employees shall be covered by either the appropriate safety or miscellaneous retirement plan provided by the City. The City shall pay the employee's contribution to PERS for employees pursuant to the applicable sections of the California Government Code. Such payments shall be reported simply as normal contributions and shall be credited to member accounts. These contributions shall at time of termination belong to the employees. These contributions shall be reported to PERS as compensation as provided by SB 53.

B. Effective June 11, 1995, the 7% for miscellaneous positions or 9% for safety positions shall be paid by the City and considered as employer-paid member contributions (EPMC) in accordance with Government Code Section 20023.

C. Effective September 21, 2010, all new hires shall be responsible for the employee's contribution to PERS, currently 7% of pay or 9% of pay for the positions of Fire Chief and Police Chief. Section 3.2(B) would no longer be applicable to employees hired prior to September 21, 2010.

- D. Effective January 1, 2013 and in accordance with the provisions of the 2013 Public Employees Pension Reform Act (PEPRA), employees covered by this agreement hired on or after January 1, 2013 who do not qualify as "classic members" of PERS, shall be considered "new members" and shall be enrolled in the 2% at age 62 for miscellaneous positions and 2.7% at age 57 for safety positions defined benefit formula with final compensation calculation period of three (3) consecutive years. Employees shall be responsible for fifty percent (50%) of the normal cost attributable to the applicable retirement formula. Section 3.2 (E) and (F) would no longer be applicable.

Note: The definition of "classic member" or "new member" is established per the California Public Employees Retirement System (CALPERS).

- E. Effective May 26, 2000, the PERS contract shall provide one-year final compensation provisions when calculating retirement benefits for miscellaneous employees.
- F. Effective November 24, 2000, the PERS contract shall provide to miscellaneous members the 2% @ 55 formula. Miscellaneous members who retire after the effective date of the contract amendment will be subject to this formula.
- G. Effective November 24, 2000, a lump sum death benefit of \$5,000 will be paid to beneficiaries of retired members. This benefit will be applicable to deaths occurring after the effective date of the contract amendment.
- H. Effective May 26, 2000, the PERS contract shall provide for the Pre-Retirement Optional Settlement 2 Death Benefit. Under this provision, the spouse of a deceased member, who was eligible to retire for service at the time of death, may elect to receive a monthly allowance in lieu of the lump sum Basic Death Benefit.

SECTION 3.3 DEFERRED COMPENSATION PLAN

- A. All employees covered by this resolution are required to participate in a 457 and/or 401(a) deferred compensation plan pursuant to this resolution. Employees are also required to participate in the Retirement Health Savings Plan pursuant to this resolution.
- B. Plan documents outlining all three plans have been adopted by the City Council and are on file in the Office of the City Treasurer.
- C. Employees in the 457 and 401(a) plans may defer up to the limits set by law.
 - 1. If an employee is not participating in the 401(a) plan, the City will match an employee contribution to the 457 plan up to a maximum of 0.5% of base pay per calendar year.
 - 2. For current employees as of July 1, 2001 who irrevocably elect to participate in the 401(a) plan, the City will match up to a maximum of 0.5% employee contribution placed in the 401(a) plan.
 - 3. All employees hired after July 1, 2001 will irrevocably be participants in the 401(a) plan per this section.

D. Retirement Health Savings Plan (RHSP)

1. For retiring employees, the following shall apply:
 - a. Upon retirement, any hours under or equal to 300 (sick) and 150 (vacation) will be deposited into the International City/County Management Association (ICMA-RC) Retirement Corporation's VantageCare Retirement Health Savings Program, therein referred to as the RHSP Plan.
 - b. Upon retirement, the remaining balance up to limits allowed by law after which any remaining balance to be paid in cash will be disbursed into the City's 401(a) plan for participating employees. Employees without a 401(a) plan may either deposit the balance of hours into their 457 plan or take cash.
- 2) For separating employees, upon separation, any sick leave or vacation leave hours will be deposited into the 457 plan up to limits allowed by law or will be paid in cash.

Note: If state, federal or PERS guidelines are changed regarding the employer's contribution to the deferred compensation program, moneys contributed by the employer to the deferred compensation program shall revert to another mutually accepted benefit of equal value.

SECTION 3.4 SICK LEAVE

A. Introduction

1. Sick leave is a benefit and not a right and is to be utilized by employees who are unable to work because of an injury or illness not arising out of the course of their employment, except as provided otherwise in this section.
2. The sick leave benefit should be thought of as an insurance policy; it insures and protects employees from a loss in wages when they are unable to work because of an illness or injury.
3. The City considers good attendance to be a very important part of an employee's overall performance. Absenteeism creates a hardship on City operations and co-workers, resulting in work schedule disruptions and added costs.
4. Misuse of sick leave shall be grounds for disciplinary action.

B. Sick Leave Use

An employee shall be granted sick leave for the following reasons:

1. Personal illness or injury
Medical or dental appointments including preventative care. Employees are encouraged to schedule medical and dental examinations of a non-urgent nature outside of normal working hours. Appointments scheduled during normal working hours constitute sick leave, provided that the employee gives advance notice in accordance with departmental rules and regulations.

Forced quarantine of the employee is in accordance with community health regulations.

2. Family illness or injury:
Illness, injury or medical appointment of a member of the employee's immediate family which requires that employee's presence. Immediate family for the purpose of this section is defined as spouse, registered domestic partner, mother, mother-in-law, father, father-in-law, sister, brother, child or guardian, stepfather, stepmother, stepchildren, grandparents or grandchildren.

C. Accrual Rate:

Category A and B employees shall be granted six hours of sick leave per month.

D. Conversion of Sick Leave Insurance:

1. The employee may select to convert any sick leave granted but unused over three hundred (300) hours into cash or into the 457 deferred compensation plan at the rate of one hour of pay for each hour of unused sick leave. Requests for such payments or deferral to the 457 plan shall be made before the 1st of December each year. Payments shall be made no later than 30 days after date of request.
2. For those employees who do not wish to convert any sick leave in accordance with 3.4.D.1, any sick leave in excess of 500 hours on the books as of December 1st will be automatically deferred into the 401(a) plan for employees who have elected to participate in the 401(a) program ("participating employees") at the rate of one hour of pay for each hour of unused sick leave.
3. For employees who have elected not to participate in the 401(a) plan ("Non-Participating Employees") any accrued sick leave in excess of 600 hours on the books as of December 1 shall be converted into cash. Payments shall be made no later than December 31.
4. For "Participating Employees" in the 401(a) plan at the time of retirement, the provisions of Section 3.3.D (RHSP) shall apply. At retirement, (minimum of age 50 and 5 years of service with the City of Torrance) each hour of accumulated sick leave shall equal 100% hourly rate of base salary.
5. For "Non-Participating Employees" at the time of retirement, the provisions of Section 3.3.D (RHSP) shall apply, as well as the provisions below. For all employees at the time of separation from the City, after the appropriate years of service, an employee shall have his/her accumulated sick leave balance converted into cash or deferred into a 457 account as follows:
 - a. After one year of service, each hour of accumulated sick leave shall equal $\frac{1}{4}$ hour of base salary;
 - b. After seven years of service, each hour of accumulated sick leave shall equal $\frac{1}{2}$ hour of base salary;
 - c. At retirement for non-participating employees, or upon separation of any employee who meets PERS eligibility for retirement, (minimum of age 50 and 5 years of service with the City of Torrance) each hour of accumulated sick leave shall equal 100% hourly rate of base salary.
6. In case of death of an employee, each hour of accumulated sick leave shall equal one hour of salary to be paid to the employee's designated beneficiary.

E. Sick leave standard:

1. Use of sick leave shall not necessarily in and of itself constitute misuse. However, sick leave use not related to a legitimate illness or injury, which exceeds standard usage and/or which has a predictable pattern, may initiate a review of sick leave usage. If it is determined that an employee has misused their sick leave, the employee shall be notified of any restrictions or requirements to be placed upon the employee's use of sick leave regarding notification or use of other accrued leaves in cases where there is insufficient sick leave available.
2. Components of the sick leave standard may include section/division/department sick leave utilization average, taking into consideration the number of incidents and the numbers of hours used, paternalistic sick leave use, depleted sick leave and/or other elements as reasonably established in the departmental work rules.

F. Notification of sickness:

1. To receive compensation while absent on sick leave, employees shall notify the section/division/department in the manner provided in departmental rules and regulations stating the nature or reason for the absence.
2. An employee who has been counseled about sick leave usage within the preceding twelve (12) months may be advised, as part of said counseling, that he/she will be required to furnish reasonable evidence, including a written statement from a medical professional, to substantiate any request for sick leave of two (2) days or more.
3. A department may require a written statement from a medical professional without prior counseling where the absence is greater than five (5) consecutive workdays, or in cases where there is evidence of a specific violation of departmental work rules.

G. Return from sick leave:

Upon return from sick leave, an employee may be required by the department head to report for examination by the City medical examiner to determine fitness for duty.

H. Depleted sick leave:

Employees who have insufficient sick leave accrued to cover an absence may request the use of other accrued leaves, according to departmental work rules. If no other accrued leaves are granted, employees are required to apply for a leave of absence without pay at the earliest possible time; that is, at the beginning of the leave or immediately upon return to work. Failure to submit the request for leave will constitute unauthorized absence, which could lead to disciplinary action. Such a request for leave shall not be unreasonably denied.

- I. The employees covered by this resolution are eligible to participate in the Catastrophic Leave Program described in Attachment B.

SECTION 3.5 INDUSTRIAL INJURY LEAVE

- A. For injuries sustained to non-safety employees prior to August 3, 1997, the following applies:

In the event an employee sustains an injury or illness arising out of and occurring in the course of his/her employment with the City, the employee shall be entitled to industrial injury leave as follows:

1. Up to three (3) months during the first three (3) years of employment.
2. Up to six (6) months during the fourth (4th) year of employment.
3. Up to twelve (12) months after four (4) years of employment for industrial injury.
4. Such leave shall be at ninety percent (90%) of regular salary rate. Said leave shall terminate upon return to regular work or when the injury is deemed permanent or stationary, or at the expiration of the maximum time period listed in this Section.

- B. For injuries sustained to non-safety employees on or after August 3, 1997, the following applies:

In the event an employee sustains an injury or illness out of and occurring in the course of his/her employment with the City, the employee shall be entitled to industrial injury leave as follows:

1. Up to three (3) months during the first three (3) years of employment.
2. Up to six (6) months during the fourth (4th) year of employment.
3. Up to eight (8) months after four (4) years of employment for industrial injury.
4. Such leave shall be at eighty-five percent (85%) of regular salary rate. Said leave shall terminate upon return to regular work or when the injury is deemed permanent or stationary, at the expiration of the maximum time period listed in this section.

- C. In the event the Fire Chief or Police Chief sustains an illness or injury occurring in the course of his/her employment with the City, the employee shall be entitled to that compensation prescribed by State Law and all items of compensation specified by this agreement.

- D. Employees who are on industrial injury leave with pay as a result of an industrial injury shall continue to accrue seniority, and shall receive holidays, accrue vacation and sick leave benefits the same as if they had been present for duty.

- E. An employee on industrial injury leave shall be under the direction of the City subject to medical advice and shall be available at all times unless he/she receives specific permission from the City.

- F. An employee on industrial injury leave shall inform the city of any current outside employment and/or any such outside employment during the four (4) years immediately prior to such injury. An employee on industrial injury leave shall not enter into any employment or physical activity, as determined by an appropriate physician, which might exacerbate his injury or illness.

SECTION 3.6 ADMINISTRATIVE LEAVE

All Category A Employees covered by this Resolution shall receive eight (8) days of administrative leave per fiscal year. This leave may not be cashed out and is non-accruable.

SECTION 3.7 PERSONAL LEAVE

All Category B Employees covered by this Resolution shall accrue a total of three (3) days of personal leave at the beginning of each fiscal year. This leave may not be cashed out and is non-accruable.

SECTION 3.8 HOLIDAYS

- A. For the purpose of this Resolution, the following days shall be considered holidays with pay:
- New Year's Day
 - Martin Luther King Jr.'s Birthday
 - Lincoln's Birthday
 - Washington's Birthday
 - Memorial Day
 - Independence Day
 - Labor Day
 - Veterans Day
 - Thanksgiving Day
 - Day after Thanksgiving
 - Christmas Eve
 - Christmas Day
 - New Year's Eve
- B. When a holiday occurs on Saturday, the day immediately preceding will be observed as the holiday. When a holiday occurs on Sunday, the day immediately following will be observed as a holiday, if a holiday falls on any other scheduled day off, the management employee may, subject to City Manager approval, take another day off.
- C. A holiday shall be construed as the value of the normal work shift.

SECTION 3.9 HOLIDAYS FOR 9/80 PARTICIPANTS

- A. For those employees with weekends, which consist of a Saturday and Sunday, the following shall apply:
1. If a holiday falls on a Saturday and the prior Friday is an 8-hour work day in which the employee is schedule to work, the City will close and the employee will be off work with eight (8) hours holiday pay.

If the holiday falls on a Saturday and the Friday before is the employee's 9/80 schedule day off the City will close on Friday and the employee will accrue eight (8) hours holiday leave which will be added to the employee's vacation leave balance.
 2. If a holiday falls on a Sunday, the Monday following will be observed, the City will close, and the employee will be off work and the holiday criteria outlined in 3.9.A.1 will apply.

- B. For those employees whose regularly scheduled weekends are other than Saturday and Sunday the following shall apply:

If the holiday falls on any scheduled day off, the employee shall receive eight (8) hours vacation leave.

SECTION 3.10 VACATION

- A. Individuals shall earn vacation as follows:

1. The rate of 9.33 hours per month of service by each regular employee.
2. Commencing with the 2nd year of service, at the rate of 10 working hours per month of employment.
3. Commencing with the 5th year of service at the rate of 12.67 working hours per month of employment.
4. Commencing with the 10th year of service, at the rate of 16.02 working hours per month of employment.
5. Commencing with the 21st year of service, at the rate of 17.34 working hours per month of employment.
6. Commencing with the 25th year of service, at the rate of 18 working hours per month of employment.

- B. Eligibility:

Employees shall earn vacation only while receiving compensation from or through the City.

- C. Scheduling:

The time of taking vacation shall be determined by the employee, subject to review by the City Manager. An employee may take vacation only in increments of full days or shifts unless City Manager approval is given for smaller increments.

- D. Borrowing:

An individual may borrow up to 40 hours of unearned vacation subject to the approval of the City Manager for Executive Employees, and the Department Head and City Manager for Management Employees. Any borrowed vacation owed by an employee separating service from the City shall be deducted from the employee's final pay.

- E. Effect of Separation:

For Non-Participating Employees of the 401(a) deferred compensation plan, any vacation owed to a separating employee shall be added to the employee's final pay or may be deferred into the 457 deferred plan up to the maximum limits.

- F. Effect of Holidays:

When an authorized holiday occurs during a vacation period, such days shall not be deducted from earned vacation.

- G. Vacation accruals over 500 hours which are on the books as of December 1st of each year will be automatically deferred into the 401(a) account by December 31st for "Participating Employees." "Non-Participating Employees" may accrue vacation up to a maximum earned during the preceding 36 months.

H. Pay for Vacation:

An individual, subject to City Manager approval, may select to receive pay in lieu of a specified amount of vacation each fiscal year (28 days prior notice must be given for such a request).

I. Vacation leave is allocated on an hour by hour basis.

J. At the time of retirement, the provisions of Section 3.3.D (RHSP) shall apply.

SECTION 3.11 BEREAVEMENT LEAVE

Each Management Employee shall be entitled to up to three (3) days of bereavement leave with pay per death of a covered family member. Additional leave, up to two (2) days may be granted due to an out-of-state death, or in the state in excess of 300 miles from the borders of the City of Torrance.

A. Such bereavement leave shall apply to a death in the immediate family.

B. Immediate family shall have the same meaning as used with regard to family sick leave.

C. Such bereavement leave shall not be accruable from year to year nor shall it have any monetary value if unused.

D. The City Manager may require proof of the death of the family member.

SECTION 3.12 VEHICLE ALLOWANCE

A. Car Allowance Category 1

1. Section 2.1 denotes employees with Car Allowance Category 1.
2. All such employees receive a car allowance as specified by the City Council. Such allowance is not intended to cover mileage reimbursement for business trips of over 25 miles each way. Such excess miles (over 50 miles round trip) shall be reimbursed at the City's specified rate.
3. This car allowance is separate from base pay.

B. Car Allowance Category 2

1. Section 2.1 denotes employees with Car Allowance Category 2.
2. The car allowance as specified by City Council has been included in base pay. Such allowance is not intended to cover mileage reimbursement for business trips of over 25 miles each way. Such excess miles (over 50 miles roundtrip) shall be reimbursed at the City's specified rate.

C. Car allowance Category 3

1. Section 2.1 denotes employees with Car Allowance Category 3.
2. These employees do not now, and never have, received a car allowance.
3. Employees in this category are eligible for mileage reimbursement of any business trips at the City specified rate.

- D. The City Council, at its discretion, shall provide the City Manager and designated individuals with vehicles in lieu of any allowance.

SECTION 3.13 JURY DUTY

An individual who is duly summoned to attend any court, during the time regularly required for his/her office or employment, for the purpose of jury service shall be entitled, while so engaged and actually serving, to this regular compensation, provided that he/she deposits his/her jury service fees pursuant to the provisions of Administrative Rules.

SECTION 3.14 REIMBURSABLE EXPENSES

A. Category A Employees

The City shall reimburse costs up to \$1500.00 per fiscal year for each management employee for the following eligible expenses:

1. Employee medically-related purposes such as medical examination and treatment, optical, dental, or prescription drugs; or, family counseling for the management employee or dependent.
2. Tuition or training reimbursement.
3. Acquisition of City compatible computer hardware, software or peripheral equipment.

B. Category B Employees

The City shall make available \$750 per fiscal year for each management employee for the following eligible expenses:

1. Employee related medical expense such as medical examination, optical, dental, or prescription drugs; or, family counseling for the management employee or dependent.
2. Tuition or training reimbursement.
3. Acquisition of City compatible computer hardware, software or peripheral equipment.

Any amount remaining from the previous fiscal year shall be carried forward to the following fiscal year, for a maximum of two years. Any expense remaining from the previous fiscal year shall be carried forward for a maximum of three years. This provision applies to both Category A Employees and Category B Employees.

SECTION 3.15 PRO-RATED BENEFITS

Employees who work less than full-time shall receive part-time pro-rated benefits in the following areas:

- Section 3.1 Insurance
- Section 3.4 Sick Leave
- Section 3.6 Administrative Leave
- Section 3.7 Personal Leave
- Section 3.8 Holidays
- Section 3.10 Vacation
- Section 3.11 Bereavement Leave
- Section 3.12 Vehicle Allowance
- Section 3.14 Reimbursable Expenses

ARTICLE 4 – GENERAL PROVISIONS

SECTION 4.1 NONDISCRIMINATION, EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION

The City and its Management Employees agree that both parties have a crucial role in the development and implementation of equal employment opportunities. Both parties mutually accept responsibility for carrying out these provisions.

SECTION 4.2 MOVE UP ASSIGNMENT

A Management Employee moved up to acting department head for one full work day, shall receive a 7½% move up premium above base salary, and any premium pay received as outlined in Section 2.3, for all such time. Such shall be subject to the approval of the City Manager. A Management Employee moved up to another management employee for one full work day shall receive a 5% move up premium above base pay.

If the temporary absence of the department head continues in excess of 30 consecutive calendar days, the employee shall then be paid at the salary rate of the lowest step for such assigned position which is higher than the current base salary of that employee, to which shall be added earned longevity pay increments.

ARTICLE 5 – MISCELLANEOUS

SECTION 5.1 MANAGEMENT TRAINING

A. Executive Employees

The amount of \$7,701 shall be budgeted for organization training purposes for the Executive Employees. Any amount not spent in previous years shall be added to this amount.

B. Management Employees

Effective each July the amount of \$159 per position shall be budgeted for individual or group training purposes, or conference registration. A committee of three shall select and schedule training programs for Management Employees, subject to the City Manager's approval.

Moneys allocated from previous years which are not expended by the end of the fiscal year shall be carried over for training purposes into the next fiscal year.

SECTION 5.2 PROBATIONARY PERIOD

There shall be a one-year probationary period for all appointments and promotions to classified positions covered by this Resolution.

SECTION 5.3 LATERAL OPPORTUNITY FOR MANAGEMENT EMPLOYEES

A. Permanent Management Employees may make themselves available for lateral entry into an alternate management classification whose salary range is equal to or less than that of the classification of position presently held by the employee. (A salary range shall be considered to be equal to if there is less than a seven and one-half percent [7.5%] difference in reference point.)

B. When a position in a classification for which employees have applied for lateral entry becomes vacant, employees who have so applied shall be given the opportunity to lateral into the position pursuant to the following:

1. No promotional list exists for the position.
2. The department heads involved approve of the lateral appointment. Such approval will not be required where lateral appointment is the result of a layoff or medical disability.
3. The City Manager concurs in the lateral appointment.
4. Priority of consideration shall be on the basis of seniority subject to the above.
5. Such lateral appointment of the employee shall be subject to a ninety (90) day period to verify his competency in the new position.

The employee shall receive a progress report from the department head at the end of each thirty (30) day period. If an employee does not qualify, he shall be returned to his previous status.

C. The approval and verification of department head and the City Manager shall be final.

D. If an employee accepts a lateral transfer, their salary shall be at their-former rate or at the reference point.

SECTION III SEVERABILITY

If any section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Resolution. The City Council hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

INTRODUCED, APPROVED, and ADOPTED this 19th day of July, 2016.

APPROVED AS TO FORM:

JOHN L. FELLOWS III, City Attorney

by 
Patrick Q. Sullivan, Assistant City Attorney


Mayor Patrick J. Furey

ATTEST:


Rebecca Poirier, MMC, City Clerk

**CITY OF TORRANCE
PERSONNEL DEPARTMENT
PROCEDURES AND RULES REGARDING LONG-TERM
DISABILITY PLAN AND PARTIAL DISABILITY**

I. PURPOSE

To provide a uniform approach for administering the City's Long-Term Protection Plan.

II. DEFINITIONS

1. "Injury" means bodily injury caused by a non-industrial accident occurring while the employee is employed by the City.
2. "Sickness" means non-industrial sickness or disease causing loss of employment while the individual is employed by the City.
3. "Total Disability" means the substantial inability or physical incapacity of the employee to engage in his/her regular occupation or an occupation of similar compensation as the result of non-industrial sickness or injury.
4. "Partial Disability" means the substantial inability or physical incapacity of the employee to engage, except on a half-time basis, in his/her regular occupation or an occupation of similar compensation as the result of non-industrial sickness or injury.
5. "Regular Care and Attendance" means observation and treatment to the extent necessary under existing standards of medical practice for the condition causing the disability.

III. BENEFITS UNDER THE CITY PROGRAM

1. Total or Partial Disability:

If an injury or sickness results in continuous total disability or continuous partial disability or combination of both, the employee while covered hereunder, who requires "regular care and attendance", shall receive from the City the monthly benefit. The monthly benefit will terminate on the earliest of:

- a. The date of death of the employee;
- b. The date benefits have been incurred for the maximum benefit period;
- c. The date the employee retired (provided, however, that the employee shall receive a total of the monthly benefit related to a combination of both retirement and long-term disability benefits if totally or partially disabled to the normal expiration of benefits);
- d. The date the employee ceases to be totally or partially disabled;
- e. The date specified in a settlement agreement between the employee and the City.

The employee shall be eligible for benefits as noted below:

Full-time Employment
Two (2) months = Full-time LTD
One (1) month

Full-time Employment
One (1) month = Part-time LTD
One (1) month

Part-time Employment
Four (4) months = Full-time LTD
One (1) month

Part-time Employment
Two (2) months = Part-time LTD
One (1) month

2. Recurrent Disability:

- a. If, following a period of disability due to sickness or injury, for which the Monthly Benefit was payable under the program, the employee shall resume duties of his or her regular occupation for a continuous period of one year or more, any subsequent disability resulting from or contributed to by the same cause or causes shall be considered as a new period of disability.
- b. If the injured employee resumes the duties of his/her regular occupation for less than a one-year period of time, the following shall apply:
 1. A subsequent disability resulting from the **same cause** shall be considered a continuation of the original incident. The employee shall be eligible for the length of time specified in the Long-Term Disability Benefit section of the Resolution less that amount of time previously utilized for the same incident.
 2. An employee who sustains a subsequent disability resulting from a new cause shall be eligible for one month of benefits for each two months of service worked in the intervening period of time plus any earned time remaining from the initial incident.
- c. The determination as to whether a disability is a new incident or a continuation of an original incident shall be subject to verification by medical authority and appropriate supporting medical documentation.

IV. REDUCTIONS

1. The monthly benefit otherwise provided under this program for any period shall be reduced by any amount received by or due to be received by the employee from the following sources for the same period so that the total combined amount shall not exceed the employee's base pay:
 - a. Any State or Federal Government Disability or Retirement plans;
 - b. Salary or wages paid by the employer or other employer;
 - c. Workers' Compensation or any similar law;
 - d. Any total disability and total and permanent disability provisions of any insurance policy; and
 - e. Unemployment insurance.

V. TERMINATION OF COVERAGE

1. The coverage of any employee shall terminate on the earliest of the following dates:
 - a. The date the program is terminated by mutual agreement of the employee groups and the City of Torrance;
 - b. The date the employee leaves or is dismissed from the employment of the employer, is retired, or leaves the representation groups covered by the master Resolution.¹
 - c. The date of entry of the employee into military service except for temporary duty of 30 days or less.
2. Such termination shall be without prejudice to any pre-existing total disability claim of the employee except as agreed to between the parties in settlement.

VI. EXCLUSIONS

1. The program does not cover disability:
 - a. Resulting from any intentionally self-inflicted injury;
 - b. Caused by or resulting from service in the Armed Forces of any country, except for temporary active duty assignments of not more than 30 days.
 - c. Resulting from any act of war, declared or undeclared;
 - d. Resulting from participating in or consequence of having participated in the committing of a felony.

¹ Monthly benefits may extend beyond the termination date of employment for the maximum benefit period provided, however, that insurance coverage was in effect at the time the injury/illness was sustained.

CATASTROPHIC LEAVE PROGRAM

Purpose

The Purpose of this Catastrophic Leave Program is to allow employees to assist another employee during times of personal crisis when serious illness or injury has incapacitated him/her or a family member and the employee is therefore unable to work. It can also be used for employees who suffer catastrophic illness or injury who must undergo intermittent medical treatment such as chemotherapy. This program is solely for employees who accrued leave balances have been exhausted.

Policy

The Catastrophic Leave Program allows an employee to transfer eligible leave credits (vacation, sick leave compensatory time and/or administrative leave) to another employee when a catastrophic illness or injury occurs. A catastrophic illness or injury is defined as a serious health condition which substantially incapacitates an employee or qualifying family member, or which forces the employee or family member to undergo ongoing and lengthy substantial medical treatment. The illness or injury further creates a financial hardship because the employee has or will exhaust all leave time. For the purpose of the Catastrophic Leave Program, qualifying family member shall mean an employee's parents, step parents, spouse, registered domestic partner, children and stepchildren.

An employee will not be eligible for catastrophic leave until he/she has exhausted all leave time, including sick leave, vacation, compensatory time and administrative leave.

Donated hours may be used under the following situations:

- To cover the elimination period before short-term and/or long-term disability benefits began;
- To supplement short-term and/or long-term disability benefits;
- To cover the time used on unpaid Family Leave.

Procedures / Guidelines for Using Catastrophic Leave

1. Leave of absence paperwork¹ must be submitted to the Human Resources Division. It should include the nature of the illness and the dates the employee expects to be absent. The leave must be approved by the Department Head and the Human Resources Director.
2. Verification of illness or injury of the employee or qualifying family member must be provided in writing by the treating physician on the City provided forms.
3. The employee or representative makes a request for catastrophic leave donations to the employee's department. The City Manager's Office is then notified and advertises the donation request via e-mail.
4. The period of absence will be determined by the written verification of the employee's or family member's physician and will not be based on the number of hours donated.

¹ Leave of Absence Paperwork consists of: "Request for Leave of Absence" form and either a "UNUM" form (for personal illness or a "Family Medical Certification" form (for family illness).

5. Employee who are approved for the Catastrophic Leave Program due to a qualifying family members' catastrophic illness/injury may use donated time for a maximum of 12 weeks during a rolling one year period, as is allowed by the Family and Medical Leave Act.
6. Employees must exhaust all personal leave hours (vacation, sick leave, etc.) prior to using any donated hours.
7. Employees will not accrue vacation, sick leave, or service time while using donated hours.
8. Donated hours may not be converted to cash ("cashed down").
9. The catastrophic leave bank will be closed and no further donations will be accepted under the following conditions:
 - The ill/injured employee returns to work full time, or
 - The 12 weeks of Family Leave have been exhausted, or
 - The ongoing, intermittent treatment program has been completed.

In these cases, any unused donated balances will be returned to the respective donating employees.

10. Any subsequent illness after the close of the bank will require a new request and approval.

Procedures/Guidelines for Donating Hours:

1. Employees who wish to donate eligible leave hours must complete a Catastrophic Leave Bank Transfer Authorization form.
2. Donation of Catastrophic Leave hours fare made on a voluntary basis.
3. All donated time must be in increments of one hour or more.
4. Donation of leave hours, once used, are irrevocable and become part of the receiving employee's leave bank.
5. Employees with less than 40 hours of sick leave may not donate sick leave hours. This provision may be waived by the City Manager if a donating employee has given notice of terminating employment with the City and there is a current qualified Catastrophic Leave Bank recipient.

Confidentiality

To protect the confidentiality of the program, the names of individuals who donate will not be released. The exact amount of hours donated will be provided to the receiving employee upon request for the purpose of computing the length of time to be covered by the catastrophic leave bank.