

**RESOLUTION NO. 2015-25**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TORRANCE SETTING FORTH THE HOURS, WAGES, AND WORKING CONDITIONS FOR THE CITY MANAGER EFFECTIVE APRIL 7, 2015.**

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

**SECTION I**

That Resolution No. 2008-115 is repealed in its entirety.

**SECTION II**

The following compensation procedure for the City Manager is hereby approved in its entirety to read as follows:

**CITY MANAGER**

**2015-2016**

**ARTICLE 1 - COMPENSATION**

**SECTION 1.1 METHODS OF COMPENSATION**

Compensation shall be determined on an annual basis by the City Council in accordance with the provisions of the Torrance Municipal Code. The City Council sets the pay point for the City Manager as \$22,365 per month.

**SECTION 1.2 REQUIREMENTS AS TO CONTINUITY OF SERVICE**

Service requirements for holidays and vacation shall be the same as for Department Heads.

- A. Leave of absences are subject to approval of the City Council. Leaves of absence without pay of 10 working days or less, shall not interrupt continuous service nor be deducted from total service.
- B. Leaves of absence without pay in excess of 10 working days, except for extended military leave, shall be deducted in computing total service.

**ARTICLE 2 - BENEFITS**

**SECTION 2.1 INSURANCE**

**A. Medical Insurance (effective April 7, 2015)**

- 1. The City shall pay the PERS mandated amount for active and retired employee health insurance. The PERS mandated amount employer contribution can only apply toward the health insurance plans. If the City Manager does not participate in the insurance plans, the PERS mandated amount cannot be used for any other purpose. This amount may be increased from time to time by statute.
- 2. City Manager: In addition to the PERS mandated amount (addressed in the matrix below) the City Manager 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. The allocation of funds for these purposes are outlined in the matrix below:

Effective, April 7, 2015, health insurance premium for City provided health insurance:

Health Insurance				
	<u>No Coverage</u>	<u>1 Party</u>	<u>2 Party</u>	<u>3 Party</u>
PERS Mandated Amount	\$0	By Statute	By Statute	By Statute
City Cafeteria Contribution	\$0	Total – PERS Mandated Amount	Total – PERS Mandated Amount	Total – PERS Mandated Amount
Totals	\$0	\$392.68	\$785.36	\$1,020.96
Any amount remaining may be used to offset family dental or towards two-party or family vision.				

- B. The City shall cover the City Manager under a \$100,000 accidental death and dismemberment and \$200,000 term life insurance policy. The term life insurance policy shall make provisions for individual paid post employment coverage.
- C. Long Term Disability Insurance:
  - 1. The City Manager shall qualify for the commercial insurance long-term/short-term disability program and shall be covered as follows:
    - a. Two-thirds (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 2.1.A.1 and 2.1.A.2.
- D. Dental Insurance - employee plus one dependent coverage will be provided at no cost. This benefit has no cash value if not used.
- E. If the City Manager retires at the end of an eight-month medical leave of absence, he/she shall be paid an amount equal to four months of City health insurance contribution (including health contribution and City supplemental). 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 2.2 RETIREMENT**

- A. The City Manager shall be covered by the miscellaneous retirement plan provided by the City. The City shall pay the employee's contribution to PERS for employees of the Certain Management Salary Resolution 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. 7% paid by the City for miscellaneous retirement shall be considered as employer-paid member contributions (EPMC) in accordance with Government Code Section 20023.
- C. The PERS contract shall provide one-year final compensation provisions when calculating retirement benefits for miscellaneous employees.
- D. The PERS contract shall provide to miscellaneous members the 2% @ 55 full formula. Miscellaneous members who retire after the effective date of the contract amendment will be subject to this formula.
- E. 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.
- F. 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.
- G. A City Manager hired by the City of Torrance on or after April 7, 2015 shall be responsible for their contribution to PERS, currently 7%. Section 2.2.B will no longer be applicable to the City Manager hired on or after April 7, 2015.
- H. Effective January 1, 2013, Section 2.2 of this Resolution will be implemented subject to the provisions of the 2013 Public Employees Pension Reform Act (PEPRA).
- I. The City may implement a Retiree Health Savings Plan during the term of this agreement.

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 covered by the City's contract with PERS in the 2% at age 62 defined formula including military service credit purchase option with a final compensation calculation period of the final three years. Per PEPRA, employees shall be responsible for fifty percent (50%) of the normal cost attributable to the applicable retirement formula.

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

### **SECTION 2.3 DEFERRED COMPENSATION PLAN**

- A. The City Manager is eligible to participate in a 457 and/or 401(a) deferred compensation plan pursuant to this resolution.
- B. Plan documents outlining the plans have been adopted by the City Council and are on file in the Office of the City Treasurer.
- C. Deferrals in the 457 and 401(a) plans may be 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 a current employee as of July 1, 2001 who irrevocably elects 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. An employee hired after July 1, 2001 will irrevocably be a participant in the 401(a) plan per this section.

*Note:* If state, federal or CalPERS 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 2.4 SICK LEAVE**

### **A. Sick Leave - City Manager:**

1. The City Manager shall earn sick leave at the rate of six (6) hours per month.
2. There shall be no maximum on the number of hours of unused sick leave that can be accumulated except as provided by the City Charter. Each day of sick leave earned after reaching the maximum accumulation shall be converted into cash and deposited into a deferred account at the rate of 100% hour salary for each hour of sick leave in lieu of being accrued.
3. Sick leave may be used for personal or family illness.
4. At time of termination after at least seven (7) years of service, each hour of earned unused sick leave shall be converted into cash or deferred income on the basis of ½ hour pay for each hour of unused sick leave; upon retirement such conversion shall be at the rate of 100% hourly rate of pay for each hour of unused sick leave; in case of death, conversion shall be at the rate of one hour of pay for each hour of unused sick leave to be paid to the employee's designated beneficiary.
5. At any time the City Manager cashes out sick leave over 173.3 hours, he may elect to defer that cash-out into the 401A, or 457 deferred plan, in increments of 10% to 100% of the amount cashed out. Upon termination from the City, the City Manager may also elect to defer cash-outs into the 401A or 457 deferred plans.
6. The City Manager shall be covered by a long term disability insurance policy. The premiums shall be paid for by the City and the policy shall provide a 30 day waiting period, 50% compensation during illness after 30 days for 10 years in case of illness, or until age 65 in case of disability caused by accident. The policy shall include a premium refund for non-usage.
  - a. If there is a refund of non-used premiums, that refund amount shall be converted to sick leave hours, taking the City Manager's hourly pay rate and dividing that amount into the total refund.
  - b. Those sick leave hours can only be used for deferral purposes into the City's 401A or 457 deferred plans. They may not be used for sick pay.
  - c. The entire amount of sick leave hours will then be deferred into the 401A or 457 deferred plans.
  - d. The City Manager must fill out a form no later than October 15 of each year in order to make this deferral.
  - e. The payment into the plan will be made the first pay period in November.

B. Notification of sickness:

1. To receive compensation while absent on sick leave, the City Manager shall notify the City Council stating the absence.
2. The City Manager may be required to furnish reasonable evidence, including a written statement from a medical professional, to substantiate any request for sick leave of five (5) days or more.

**SECTION 2.5 INDUSTRIAL INJURY LEAVE**

A. For injuries sustained, the following applies:

In the event the City Manager sustains an injury or illness out of and occurring in the course of his/her employment with the City, he/she 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 his Section.

B. An employee 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 he/she had been present for duty.

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

D. 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 2.6 ADMINISTRATIVE LEAVE**

The City Manager shall receive eight days of administrative leave per fiscal year. This leave may not be cashed out and is non-accruable.

**SECTION 2.7 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
  - Last working day prior to Christmas Day
  - Christmas Day
  - Last working day prior to New Year's Day
- 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 City Manager may take another day off.
- C. A holiday shall be construed as the value of the normal work shift.

**SECTION 2.8 HOLIDAYS FOR 9/80 PARTICIPANTS**

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

**SECTION 2.9 VACATION**

- A. The City Manager shall earn vacation as follows:
1. The rate of 9.33 hours per month of service
  2. Commencing with the 2<sup>nd</sup> year of service, at the rate of 10 hours per month of employment.
  3. Commencing with the 5<sup>th</sup> year of service at the rate of 12.67 working hours per month of employment.
  4. Commencing with the 10<sup>th</sup> year of service, at the rate of 16.02 working hours per month of employment.
  5. Commencing with the 21<sup>st</sup> year of service, at the rate of 17.34 hours per month of employment.
  6. Commencing with the 25<sup>th</sup> year of service, at the rate of 18 hours per month of employment.
- B. The City Manager shall earn vacation only while receiving compensation from or through the City.
- C. Scheduling:  
The time of taking vacation shall be determined by the City Manager. The City Manager shall give notice to the City Council.
- D. 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.
- E. Effect of Holidays:  
When an authorized holiday occurs during a vacation period, such days shall not be deducted from earned vacation.
- F. Maximum vacation that can be accrued is governed by the provision of the City Charter.

- G Vacation leave is allocated on an hour by hour basis.
- H At the time of retirement, accumulated vacation balance shall be deferred into a 401(a) account if participating.

**SECTION 2.10 BEREAVEMENT LEAVE**

Each Management employee shall be entitled to up to three (3) work shifts of bereavement leave with pay per death of a covered family member. Additional leave, up to two (2) work shifts 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. In addition, up to one work shift of this leave may be used for a relative not named in the sick leave listing, subject to approval by the City Council.
- C. Such bereavement leave shall not be accruable from year to year nor shall it have any monetary value if unused.

**SECTION 2.11 VEHICLE ALLOWANCE**

- A. Car Allowance
  - 1. The City Manager shall 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.
  - 2. This car allowance is separate from base pay.

**SECTION 2.12 JURY DUTY**

An individual who is duly summoned to attend any court, during the time regularly required for his 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 deposits his jury service fees pursuant to the provisions of Administrative Rules.

**SECTION 2.13 REIMBURSABLE EXPENSES**

- A. The City shall reimburse costs up to \$1,500.00 per fiscal year for the City Manager 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.

