

THE CITY OF MURRIETA

**MANAGEMENT AND
CONFIDENTIAL EMPLOYEES**

COMPENSATION PLAN



EFFECTIVE October 16, 2019

**THE CITY OF MURRIETA
MANAGEMENT AND CONFIDENTIAL EMPLOYEES
COMPENSATION PLAN
EFFECTIVE October 16, 2019**

SECTION 1.01 INTENT AND PURPOSE

To maintain a distinct and separate procedure for establishing the compensation of Management and Confidential employees, the employees in these groups, as designated below, shall be compensated as set forth in this plan (hereinafter referred to as the M&C PLAN). The City Manager shall meet periodically with each group to discuss the M&C PLAN. Employees in these groups may not be represented by any employee association which also represents employees who are not in these groups.

The City of Murrieta (hereinafter referred to as "CITY") recognizes the special responsibilities and demands placed upon its Management and Confidential employees. The CITY also notes the necessity to compensate these employees in order to maintain a high caliber of top leadership and administrative support. At the same time, the CITY expects certain levels of performance in return for compensation.

SECTION 1.02 IMPLEMENTATION

This document constitutes a recommendation to be submitted to the City Council of the City of Murrieta. This M&C PLAN is of no force or effect unless or until adopted by the City Council. This M&C PLAN supersedes all prior compensation plans.

SECTION 1.03 TERM

The M&C PLAN shall be effective October 16, 2019.

SECTION 1.04 CLASSIFICATIONS SUBJECT TO THE M&C PLAN

The following positions are subject to the components of the M&C PLAN:

Appointed: Appointed by the City Council.

City Manager

Department Heads: Employees in this group are “At Will” and hold an exempt status and serve at the pleasure of the City Manager.

Administrative Services Director
Assistant City Manager
City Clerk
Development Services Director

Director of Public Works/City Engineer
Economic Development Director
Fire Chief
Police Chief

Management: Employees in this group are “At Will”, hold an exempt status, and serve at the pleasure of the City Manager.

Accountant
Accounting Manager
Accounting Supervisor
Administrative Manager
Assistant City Clerk
Assistant to the City Manager
Building and Safety Manager
Building Official
Business Development Manager
City Engineer
City Planner
Community Services Manager
Deputy Director Development Services
– Economic Development
Deputy Fire Chief
Engineering Manager

Financial Analyst
Finance Manager
Fire Marshal
Human Resources Analyst
Human Resources Manager
Information Technology Manager
Library Manager
Management Analyst
Parks & Recreation Manager
Principal Civil Engineer
Public Information Officer
Public Safety Communications Manager
Senior Accountant
Senior Human Resources Analyst
Senior Management Analyst
Senior Program Manager

“At Will” Confidential Employees: Employees in this group are “At Will” and hold a non-exempt status, can earn overtime, and serve at the pleasure of the City Manager. Employees in this group are designated as such by virtue of the fact that they are privy to information regarding employee/employer relations.

Accounting Technician, Payroll
Executive Assistant

Human Resources Technician
Purchasing and Contracts Coordinator
Senior Executive Assistant

SECTION 1.05 PROBATION PERIOD

- A. All newly hired Management and Confidential employees are "At Will" employees who serve at the will and pleasure of the City Manager. They may be discharged at any time for any reason, with or without cause, and with no rights of appeal.

- B. Each employee serving a probation period shall, in accordance with CITY policies, receive a performance evaluation during his or her probationary period.

SECTION 1.06 “AT WILL” EMPLOYMENT STATUS

Notwithstanding any other provision of this M&C PLAN, the terms and conditions of employment for employees shall be as follows:

- A. All Department Heads, Managers and Confidential staff hired or promoted into an “At-Will” position in the M&C PLAN after July 1, 2008 will serve at the pleasure of the City Manager. Prior to the appointment written acknowledgement from the appointee agreeing that they understand the At Will status will be obtained. Such employees may be terminated from service at any time, without notice. “At Will” employees removed from service with the CITY shall be entitled to one (1) month’s salary as Severance Pay for each year of employment with the CITY up to a maximum Severance Pay equal to six months’ salary provided that the termination was not the result of a general lay-off. Employees will also be entitled to accrue up to 1000 hours of Annual Leave. Unused Annual Leave is paid out by the CITY upon termination of employment.

Salary ranges for Management and Confidential employees who hold the “At Will” status shall be set at 2.5% higher than for comparable positions whose incumbents do not hold the “At Will” status. Any Management or Confidential employee who was hired prior to July 1, 2008 may voluntarily agree to transfer to an “At will” status and will receive the 2.5% base pay increase. Additionally they will be required to sign a written acknowledgement agreeing that they understand the “At Will” status and they will serve at the pleasure of the City Manager and may be terminated from service at any time without notice.

- B. Employees covered by this document hired prior to July 1, 2008 are not considered “At Will” unless they have voluntarily agreed to transfer to “At Will” status. Confidential (not at-will) employees who are terminated through the *Skelly* process are not eligible to receive Severance Pay

SECTION 1.07 LEAVE - JURY, MILITARY, EDUCATION, ANNUAL, SICK, ADMINISTRATIVE, AND LEAVE OF ABSENCE.

All applicable leave accruals, (i.e., Annual) unless otherwise specified in the M&C PLAN, are calculated and credited to each employee based upon an eight (8) hour work day. All leave hours taken shall be based upon the length of a given employee's work day (i.e., 8 hrs, 9 hrs, 10 hrs, 12 hrs) and charged against the applicable accrued leave balance. Partial day absences shall be charged against the employee’s Annual, Holiday, Administrative or Sick Leave balances. In the event an exempt employee does not have sufficient time in his/her leave account to cover the

absence, deductions without pay will be made on full days only.

- A. JURY LEAVE - employees who are called for jury service in any court in the State of California or in the United States shall be granted a paid leave of absence to serve as a juror.

An employee summoned to and serving on jury duty shall submit evidence of the summons to Human Resources and may be absent from duty with full pay. The employee shall be entitled to retain the mileage pay received for jury duty as partial or full reimbursement for the additional expenses associated with jury duty with no additional reimbursement by the CITY.

- B. MILITARY LEAVE

Military leaves of absence shall be governed by the provisions of Sections 395 *et seq.* of the Military and Veterans Code.

- C. FAMILY ILLNESS LEAVE

When employees need a leave of absence due to a family illness, said leave time shall be taken and paid from accrued Annual Leave.

NOTE: It is the intent of the CITY to comply fully with the Family and Medical Leave Act of 1993, the California Family Rights Act of 1995, and the California Pregnancy Disability Leave Law. Nothing in this M&C PLAN is intended to restrict employees' rights under these laws.

- D. BEREAVEMENT LEAVE

An employee may use up to three work shifts of paid Bereavement Leave if required to be absent from work due to the death of a member of the employee's immediate family or domestic partner. Additional time off may be authorized by the Department Head. Any additional time off will be charged to the employee's accrued Annual Leave or treated as Leave Without pay. However, if the employee provides documentation that 300 or more miles were traveled one way pursuant to use of Bereavement Leave, an additional two (2) paid shifts of leave may be provided.

Immediate family shall be defined as: spouse, child, parent, sibling, grandparents; the aforementioned either natural, legally adopted, step or in-law, or any person over whom the employee acts as legal guardian, or a verifiable current member of the employee's immediate household. The definition of immediate family shall include an ex-spouse if the employee is escorting dependent children to the funeral of an ex-spouse who was the parent of the dependent child or children.

E. ANNUAL LEAVE

1. Employees covered by the terms and conditions of this M&C PLAN shall accrue Annual Leave per the following schedule:

Department Heads

<u>Years of Service</u>	<u>Annual Accrual</u>	<u>Maximum Accrual</u>
1 to 5 years	192 hours per year (24 days x 8 hrs)	1000 hours
6 to 10 years	232 hours per year (29 days x 8 hrs)	1000 hours
11+ years	272 hours per year (34 days x 8 hrs)	1000 hours

Management & At-Will Confidential

<u>Years of Service</u>	<u>Annual Accrual</u>	<u>Maximum Accrual</u>
1 to 3 years	168 hours per year (21 days x 8 hrs)	1000 hours
4 to 6 years	192 hours per year (24 days x 8 hrs)	1000 hours
7 to 10 years	216 hours per year (27 days x 8 hrs)	1000 hours
11 to 15 years	232 hours per year (29 days x 8 hrs)	1000 hours
16+ years	272 hours per year (34 days x 8 hrs)	1000 hours

2. The maximum amount of scheduled Annual Leave time which may be taken shall be thirty (30) working days in a fiscal year. Additional Annual Leave for exceptional situations may be granted on a case-by-case basis by the City Manager.
3. Employees are encouraged to use their Annual Leave to rest, relax and spend time with loved ones periodically. A minimum of 80 hours of leave (Administrative, Annual, and/or Floating Holiday) must be used each fiscal year by the employee. The 80 hours can be taken in increments and does not have to be in a consecutive block of time.
4. Annual Leave may be accrued up to a maximum of six hundred and forty-four (644) hours for confidential employees who are not “at will” and one thousand (1,000) hours for “at will” employees. When the maximum amount is reached, the employee will no longer accrue additional Annual Leave. Annual Leave accruals will re-commence in the pay period in which Annual Leave is used and the balance is reduced below the maximum allowed. It is incumbent upon the employee to manage his or her accrued Annual Leave time off so as not to exceed the maximum accrual limit.
5. Earned and accrued Annual Leave may be taken before the completion of the first

year of service with the approval of the City Manager or designee.

6. Holidays within Annual Leave period. Holidays falling within the scheduled leave period shall not be considered as part of an employee's vacation. Should a holiday be declared during an employee's Annual Leave period, an equivalent number of Holiday Leave Bank hours will be used instead of Annual Leave. Illness occurring during a scheduled vacation period shall not be considered as unscheduled (sick) leave.
7. Unused Annual Leave. Any employee who is eligible for Annual Leave benefits and terminates his or her employment with the CITY will be paid for any unused Annual Leave hours.
8. Length of Annual Leave. Annual Leave in excess of eighty (80) consecutive hours will require the City Manager's approval.
9. When an employee is absent from work due to illness or a health related reason, said leave periods shall utilize Annual Leave with pay. In the event of absences due to illness or injury, the Department Head, in consultation with the Human Resources Director, may require a physician's statement indicating the employee's fitness to return to work
10. Twice each year, on the first payday in June and December, employees who have accrued at least 300 hours in their Annual Leave bank may request a cash payout of Annual Leave hours. This payment must be made in cash and is taxable. The maximum number of hours that can be cashed out in each sell back period is:

Department Heads
80 hours per sell back period

Managers/Confidential Employees
60 hours per sell back period

F. SICK LEAVE ACCUMULATED PRIOR TO JULY 1, 1996.

ACTIVE EMPLOYEES: All Sick Leave balances accumulated since the employee's date of hire up to and including the pay period ending July 6, 1996 are not added to Annual Leave, but are frozen and placed in a Sick Leave bank for the respective employee. This bank of prior Sick Leave shall remain for the employee's benefit and may be used for illnesses or injury resulting in an absence of one day or more. Employees may use Sick Leave hours in lieu of Annual Leave for any qualifying absence of 1 day or more.

DEPARTING EMPLOYEES: At the time of an employee's resignation, layoff, or retirement from the CITY, employees with continuous CITY employment of ten (10) years or more shall be eligible to receive payment for 50% of the unused Sick Leave in the Sick Leave bank at the employee's then rate of compensation. The remaining Sick Leave hours cannot be used for any purpose other than

CalPERS service credit for employees who are retiring.

G. ADMINISTRATIVE LEAVE

Employees shall be granted Administrative Leave according to the following schedule:

Department Heads
120 hours/year

Management
80 hours/year

Beginning the first pay period following City Council adoption on October 15, 2019, employees will accrue a maximum of eighty (80) or one hundred twenty (120) hours of Administrative Leave per fiscal year depending on their classification and the leave will not be forfeited at the end of the fiscal year. Employees will begin accruing Administrative Leave at the rate of 3.0769 hours per pay period up to a maximum of eighty (80) hours for Management Employees and 4.6153 hours per pay period up to a maximum of one hundred twenty (120) hours for Department Heads. Employees separating from service with the CITY will be compensated for all hours on their balance.

Employees will be allowed to sell back Administrative Leave one time each fiscal year payable on the first payday in June.

H. LEAVE OF ABSENCE

It is the intent of the CITY to afford all rights of employment granted under State Workers' Compensation laws and State and Federal anti-discrimination laws. Furthermore, the CITY intends to comply fully with the Family Medical Leave Act of 1993, the California Family Rights Act of 1995, and the California Pregnancy Disability Leave Law. Nothing in this Compensation Plan is intended to restrict employees' rights under these laws.

Leave of Absence without Pay. An employee may be allowed a Leave of Absence without Pay. This can be initiated by a written request from the employee or a family representative if the employee is unable to make the request. The request shall be directed to the employee's Department Head, who will forward it with a written recommendation to the City Manager for review and approval. The City Manager's decision to approve or deny the request shall in all cases be final. The City Manager may grant an employee a Leave of Absence without Pay for a period not to exceed six (6) months. During such Leave of Absence without Pay, Annual Leave, and Holiday Leave Bank credits will not accrue and the employee will be excluded from all other compensation and fringe benefits. However, the employee, at his or her discretion and cost, may take advantage of the C.O.B.R.A. program so that applicable benefits may continue.

During an approved Intermittent Leave of Absence without Pay, any time an employee

works less than a full-time workweek, that period of time shall be counted towards the six-month limit of Leave Without Pay.

- I. Workers' Compensation Leave: When an employee is unable to work due to an accepted work-related injury, that employee shall receive Total Temporary Disability (TTD) benefits as provided by law. For sixty (60) work days the CITY shall pay the employee the difference between his/her regular base salary and the amount of the TTD payment. Any partial day off will count as a full day towards the sixty (60) days. Beyond the first 60 work days of TTD, the employee shall have the option of using accumulated Annual Leave to supplement the TTD, provided, however, that the combined amount received from TTD and the supplement do not exceed 100% of base salary.

During a pay period wherein an employee is supplementing his or her TTD with accrued Annual Leave, that employee will continue to accrue Annual Leave at their normal rate. This supplement shall be, at a minimum, equal to the employee's bi-weekly accrual rate.

SECTION 1.08 HOLIDAYS & HOLIDAY LEAVE BANK

- A. The approved CITY holidays shall be as follows:

- (1) January 1st, known as New Year's Day
- (2) Dr. Martin Luther King Holiday (January)
- (3) The third Monday in February, known as "Presidents' Day"
- (4) The last Monday in May, known as "Memorial Day"
- (5) July 4th, known as "Independence Day"
- (6) The first Monday in September, known as "Labor Day"
- (7) November 11th, known as "Veterans' Day"
- (8) Thanksgiving Day
- (9) The day after Thanksgiving
- (10) December 24th, known as Christmas Eve
- (11) December 25th, known as Christmas Day
- (12) December 31st, known as New Year's Eve (half-day, 4.5 hours)
- (13) Floating Holiday (may be used anytime during the year)

HOLIDAY LEAVE BANK:

For accounting purposes, each employee shall begin with a bank of one hundred twelve and one-half (112.5) hours of Holiday Leave on the first pay day in July. An employee's Holiday Bank shall be reduced by the number of hours taken for the holiday.

Employees are required to use Holiday Leave each time a CITY authorized holiday falls on a day when the employee would normally be scheduled to work. When a CITY authorized holiday falls on a day when a CITY facility is normally closed, an additional day will not be designated as a holiday. When this occurs, no holiday hours will be

deducted from employees' Holiday Banks and employees will be able to use them as holiday leave at another time, provided the holiday has already occurred. Such time must be scheduled in advance and approved by the Department Head with consideration given to sufficient staff being available to continue the efficient operation of the department. Holidays occurring during Leave Without Pay are not earned. Employees must be on paid status the day prior to and immediately following the holiday in order to earn the holiday.

Any Holiday Leave Bank hours not used by June 30 of the fiscal year shall be forfeited.

Employees beginning employment during the fiscal year will start with a prorated Holiday Leave bank. Hours will be credited as follows:

- a. Nine (9) hours for each CITY authorized holiday that has not yet occurred.

Employees terminating employment with the CITY during the fiscal year will receive payment for unused holiday leave as follows:

- a. Nine (9) hours for each CITY authorized holiday that has occurred during that fiscal year.

Necessary adjustments to the Holiday Leave Bank upon termination of employment will be deducted from the final pay check.

Effective July 1, 2020, the CITY shall discontinue the holiday leave bank program.

SECTION 1.09 SUBSTANCE ABUSE POLICY

It is the responsibility of all affected employees to cooperate to protect lives, personal safety and property of co-workers and fellow citizens. All employees shall take all reasonable steps to accomplish these goals and to minimize potential dangers. Towards this goal, employees will follow the CITY'S Drug-Free Workplace Policy as described in the Employee Handbook.

SECTION 1.10 COMPENSATION

- A. Department Heads will be placed in a salary band. Placement or pay changes within the band are at the discretion of the City Manager.
- B. All covered by the terms and conditions of this M&C PLAN hired on or before October 15, 2019, the date of City Council adoption of the M&C Plan and still employed at time of payment processing shall receive a one-time stipend of one thousand five hundred dollars (\$1,500)

- C. All classifications covered by the terms and conditions of this M&C PLAN shall receive the following cost of living adjustments to their base salary:
 - a. Five percent (5%) effective October 27, 2019, the first full pay period after City Council approval.
 - b. Three and one half percent (3.5%) effective the first full pay period in July, 2020.
 - c. Three and one half percent (3.5%) effective the first full pay period in July, 2021.
- D. Management and Confidential employees are scheduled to work a 40-hour workweek.

SECTION 1.11 DEFERRED COMPENSATION MATCH

For those employees participating in a CITY sponsored deferred compensation program, the CITY shall contribute a matching amount to the employee’s account on a dollar for dollar basis as follows up to a maximum amount as follows:

<u>Department Heads</u>	<u>Managers</u>	<u>Confidential Employees</u>
\$3,000 per calendar year	\$2,600 per calendar year	\$1,600 per calendar year

An employee must have physically worked during the calendar year in order to receive matching contributions from the City for that calendar year.

The CITY’s contribution matching for Department Heads will cease upon establishment of a CITY sponsored retirement plan under Section 1.11.1

SECTION 1.11.1 RETIREMENT PLAN

The CITY will establish and sponsor a 401(a) Retirement Plan for Department Heads. For those Department Heads enrolled in a CITY sponsored 457 Deferred Compensation Plan, the CITY shall contribute to a 401(a) account an amount matching the employee’s 457 contribution, not to exceed \$3,000. In no event shall the CITY’s match exceed limits established by the Internal Revenue Service.

SECTION 1.12 AUTO ALLOWANCE

Department Heads, with the exception of the Fire Chief and Police Chief shall receive an Auto Allowance of \$300.00 per month. The Fire Chief and Police Chief will be provided with a vehicle for their use.

SECTION 1.13 UNIFORM ALLOWANCE

The following classifications shall be entitled to a Uniform Allowance as specified:

- a. The Fire Chief, Deputy Fire Chief, and Fire Marshal shall be entitled to a Uniform Allowance of \$1,850.00 annually to be paid consistent with the Murrieta Fire Management Uniform Allowance.
- b. The Police Chief shall be entitled to a Uniform Allowance of \$1,800 annually to be paid \$75 per pay period on the first and second payday each month.
- c. The Public Safety Communications Manager shall be entitled to a Uniform Allowance of \$600 annually to be paid in January of each year.

SECTION 1.14 SPANISH LANGUAGE PAY

The CITY has established a bi-lingual program that provides an additional two and one half percent (2.5%) of base pay for eligible members of the ASSOCIATION who are fluent in the Spanish language. The number of members to be eligible shall be determined by the CITY and shall be based upon the CITY's needs. To become qualified an employee must be certified by the City Manager and or his/her designee after the employee passes a verbal conversation examination established by the CITY.

SECTION 1.15 CELL PHONE ALLOWANCE AND REIMBURSEMENT

All unit employees authorized/required to use a personal cell phone in the course and scope of performing their duties shall receive a cell phone allowance. Employees incurring cell phone expense/cost in excess of the per month allowance may submit receipts for reimbursement for amounts above the per month cell phone allowance. Cell phone allowances shall be as follows:

<u>Department Heads</u>	<u>Managers/Confidential Employees</u>
\$60 per month	\$40 per month

SECTION 1.16 TEMPORARY ASSIGNMENT PAY

As a result of vacancies, leaves of absence, or other reasons, it may be necessary to temporarily reassign the duties of an authorized position to another employee. When such an assignment requires the employee to assume substantial additional duties which are outside the scope of the employee's regular assignment for a period in excess of fourteen (14) consecutive calendar days, the employee shall be entitled to a salary adjustment to reflect the new duties. The following shall apply in these instances:

- A. Approval required. Upon the recommendation of the Department Head and with the approval of the City Manager, an employee may temporarily be assigned to a higher level classification to perform duties provided that:

1. The higher level position is vacant and is approved by the City Manager for new or continued staffing.
 2. The employee is called upon to perform a substantial amount of the duties of the higher level position and the duties for the higher level position are outside the scope of the employee's current classification as determined by the City Manager and the Department Head.
 3. The vacancy is expected to continue for at least fourteen (14) consecutive calendar days, but not longer than one (1) calendar year, and
 4. The employee possesses the minimum qualifications to perform the work of the higher level position.
- B. Salary. The employee in such a temporary assignment shall be entitled to a salary adjustment of approximately five (5) percent or the "A" step of the salary range of the higher level position, whichever is greater, for the duration of the temporary assignment beyond the first thirty (30) days. Such an assignment shall not extend beyond 180 calendar days without the approval of the City Manager.

SECTION 1.16.1 EDUCATION PAY

In recognition of the terms of employment agreed to at the time of promotion, the Police Chief hired on or before and still employed by the City as of the date of City Council adoption of this Compensation Plan is eligible to receive an Education Incentive of five percent (5%) of base pay for a Master's degree.

SECTION 1.17 INSURANCE AND RETIREMENT BENEFITS

- A. The CITY shall provide funding for medical and related expenditures as follows: The CITY is a contracting agency for participation in the Public Employees' Medical and Hospital Care Act (PEMHCA). Government Code §22892 provides for the minimum employer contributions to allow enrollment in PEMHCA.

Effective January 1, 2018, the CITY contribution to PEMHCA will be \$133.00 monthly and shall from calendar year to calendar year be adjusted to correspond with statutory amended minimum employer contribution rates.

Effective January 1, 2018, the CITY shall fund a Cafeteria Plan on behalf of each employee in an amount of one thousand, five hundred twenty-one dollars and seventy-one cents (\$1,521.71) per month, which includes the PEMHCA minimum. This amount will be adjusted on January 1, 2019, and each January thereafter, by fifty percent (50%) of the increase in cost (defined as the difference in the premium rate from the current year to the next year, i.e. January 2019 to January 2020, etc.) for the lowest cost monthly family premium for CalPERS sponsored HMO medical plan in the Other Southern California

Region which is available for medical services in the United States. In the event premiums decrease from one January to the next, the CITY shall continue to pay the higher contribution amount based on the prior January's premium. No increases in the CITY contribution will be required again until the premiums increase above the amount then paid by the CITY. The fifty percent (50%) split will then be calculated only on the amount that the new premium exceeds the CITY'S current contribution. The employee will pay any additional cost based on the plan coverage chosen.

1. Management and Confidential Employees.

Up to \$833.43 of Cafeteria Plan may be utilized only for medical insurance premiums. The remaining amount may be used for other allowable Cafeteria Plan expenditures, such as medical premiums, Flexible Spending Account contributions, or a taxable cash payment.

The CITY shall fund a Section 125 Cafeteria Plan on behalf of each employee in the following amounts, which includes the MEC:

- Effective January 1, 2019, the total monthly contribution shall be one thousand five hundred twenty-one and seventy-one cents (\$1,521.71) per month.
- Effective January 1, 2020, the total monthly contribution shall be one thousand thirty-seven and sixty-four cents (\$1,537.64) per month

This amount will be adjusted each January thereafter, by fifty percent (50%) of the increase in premium cost (defined as the difference in the premium rate from the current year to the next, e.g., January 2019 to January 2020, etc.) for the lowest cost monthly family premium for a CalPERS sponsored HMO health insurance plan in Region 3 (excluding HealthNet Salud Y Más). In the event that premiums decrease from one January to the next, the City shall continue to pay the higher contribution amount based on the prior January's premium. No increases in the City's contribution will be required again until the relevant plan premium cost increases above the total amount then paid by the City toward the cafeteria plan. The 50% split will then be calculated only on the amount that the new relevant plan premium cost exceeds the premium cost that the City's cafeteria plan contribution is based on.

Any amount remaining from the CITY's contribution after the payment of the monthly premium, or eight hundred thirty-three dollars and forty-three cents (\$833.43), whichever is higher, may be used for other allowable Cafeteria Plan expenditures, such as Flexible Spending Account contributions, or taken as a taxable cash payment, limited to the provisions for taxable cash payment enumerated as follows.

Taxable Cash Payment (cash-in-lieu of health care):

- a. Those employees working for the City of Murrieta on or before September 30, 2019 who elected and receive cash-in-lieu for Plan Year 2019 (Tier 1) shall be

allowed to maintain the benefit. Should such an employee reduce or eliminate the cash-in-lieu benefit in future years, such election will be final: it cannot be increased or reinstated in the future though the employee can elect to future reduce the benefit until it is eliminated.

- b. Any employee hired on or before September 30, 2019 that did not elect cash-in-lieu shall not be eligible for such this Plan Year or in any future Plan Year.
 - c. New employees hired on or after October 1, 2019 shall not be eligible to receive cash-in-lieu.
2. Department Heads. Department heads shall be subject to the same plan as Managers and Confidential Employees except, any Department Head hired on or before and still employed by the City on or before October 1, 2019 electing not to receive cash-in-lieu of benefits shall be eligible to receive an additional \$100.00 per month that may be utilized only for medical insurance premiums, for a total of \$933.43.

B. Retiree Medical:

1. **Employees hired prior to January 1, 2008** – Eligible retirees, who are enrolled in a CalPERS medical plan, shall receive the monthly minimum mandated employer contribution to participate in PEMHCA (\$133.00 per month for calendar year 2018) and a \$700.43 monthly contribution to a Retirement Health Savings Plan (RHS). The RHS is a trust created for government agencies to pay and fund post retirement employee benefits. The total monthly expenditure for pre-January 1, 2008 employees who thereafter retire, shall remain fixed at a maximum \$833.43 (consisting of the minimum mandated contribution to participate in PEMHCA, as from time to time exists, and the RHS contribution for the rest of the retiree’s life.
2. **Employees hired on or after January 1, 2008 through July 14, 2014 (10 complete years of CITY service)** – Employees hired on and after January 1, 2008 and before July 15, 2014 and who thereafter retire from CITY service with a minimum ten (10) complete years of service with the CITY, and who are enrolled in a CalPERS medical insurance plan shall receive CITY-funded medical insurance for the retiree and eligible dependents, in an amount not to exceed \$360.00 per month up to the date of eligibility to receive Medicare. The \$360.00 maximum amount is computed by adding the minimum payment mandated from time to time by the Act, to a RHS contribution, which shall when totaled, equal \$360.00 per month. Upon employee eligibility for Medicare, the CITY contribution to medical insurance shall be in the minimum mandated amount for employer contributions to participate in PEMHCA.
3. **Employees hired on or after January 1, 2008 through July 14, 2014 (less than 10 complete years of CITY service)** - For those employees hired on or after January 1, 2008 who then retiree from CITY service with less than ten (10) full years of CITY service and who are enrolled in a CalPERS medical insurance plan, the CITY medical

insurance contribution shall be equivalent to the minimum mandated employer contribution to participate in PEMHCA

4. **Employees hired on or after July 15, 2014** who retire from City service and are enrolled in a CalPERS medical insurance plan, are eligible to receive only the PEMHCA minimum mandated contribution required to participate in PEMHCA.
- C. **Dental and Orthodontic:** The CITY agrees to provide a dental and orthodontic benefit plan. The CITY also agrees to pay the monthly premiums for each employee and the employee's dependents.
 - D. **Vision Plan:** The CITY agrees to provide a vision plan for all employees and their dependents. The cost of this plan shall be borne by the CITY.
 - E. **Life Insurance:** The CITY agrees to provide a life insurance policy in the amount of \$50,000 for Confidential employees. The policy for Managers and Department Heads shall be equal to one year of base salary, not to exceed \$300,000. The policy amount for the CITY Manager shall be as provided for in the employment contract. The CITY shall select the insurance company. The CITY shall pay all monthly premiums. When available through the CITY, employees may purchase additional life insurance at their own cost.
 - F. **Long Term Disability:** The CITY agrees to provide long term disability insurance. The CITY shall pay the full monthly premium for this insurance.
 - G. **Short Term Disability:** The CITY agrees to provide short term disability insurance. The CITY shall pay the full premium for this insurance.
 - H. **Public Employees Retirement System:**
 1. Employees hired prior to December 30, 2012: Effective July 1, 2007, the CITY amended its CalPERS retirement contract to provide Section 21354.2 (2.7% at Age 55 Retirement Benefit Formula, One-Year Final Compensation) for represented employees. The CITY shall pay the full employer cost for this benefit. The employee rate will be eight (8) percent. Effective September 9, 2012, employees will pay the entire eight percent (8%) of the employee portion of the CalPERS retirement contribution.
 2. Employees hired on or after December 30, 2012: Effective December 30, 2012, the CITY amended its CalPERS retirement contract in accordance with Section 21353 of the Public Employees' Retirement Law, to provide a 2% at age 60 (Three-Year Final Compensation) retirement benefit formula for represented employees hired on or after December 30, 2012. Effective January 1, 2013, this benefit only applies to employees hired who are by CalPERS definition a "Classic member". The term Classic member is an individual who entered into membership with CalPERS or reciprocal retirement system on or before December 31, 2012, and who do not meet the definition of a "New member" in Government Code (GC) Section 7522.04(f). Employees who receive this

retirement benefit formula will pay the entire seven percent (7%) of the employee portion of the CalPERS retirement contribution.

3. Effective January 1, 2013, under the Public Employee's Pension Reform Act of 2013 (PEPRA) the CITY will provide a 2% at age 62 (Three-Year Final Compensation) retirement benefit formula for represented employees hired as a "New Member" on or after January 1, 2013. CalPERS definition of a New Member means any of the following:
 1. An individual who becomes a member of CalPERS for the first time on or after January 1, 2013.
 2. An individual who is not subject to reciprocity (under GC 7522.02(c)).
 3. An individual who was an active member of CalPERS or reciprocal retirement system and who, after a break in service of more than six months, returned to active membership in that system with a new employer. A New member will pay 50% of the normal cost rate for their defined benefit plan which was six and one-half percent (6.5%) as of January 1, 2013.

The Police Chief's retirement benefit formulas will be consistent with the Police Management MOU. The Fire Chief's retirement benefit formulas will be consistent with the Fire Management MOU.

- I. **PERS 1959 Survivor Benefit:** Effective November 7, 2004, the CITY provided the PERS Fourth Level 1959 Survivor Benefit to employees. The CITY pays the employer's administrative costs for said benefit and the employee shall pay his or her share of the monthly cost for said program.
- J. **Military Service Credit:** The CITY amended its contract with the California Public Employees Retirement System on November 7, 2004, to provide Military Service Credit as Public Service (PERS §21024). Under this amendment, employees must pay the costs of purchasing their service credit.

SECTION 1.18 TUITION REIMBURSEMENT PROGRAM

After twelve (12) months of full-time employment with the CITY, regular full-time employees shall be eligible to receive financial assistance for approved courses completed at an accredited educational institution. Reimbursement will be made provided: pre-approval was obtained; courses are satisfactorily completed; appropriate proof of successful completion is submitted to Human Resources; courses of instruction will enable the employee to perform their present duties more effectively or will prepare them for future opportunities into which they could reasonably expect promotion or transfer to at the CITY; the hours of instruction for the course do not conflict with the employee's regularly scheduled work day; and reimbursement is limited to a maximum of two courses per semester or quarter.

The maximum reimbursement amount shall be:

Department Heads
\$2,500 per fiscal year

Managers/Confidential Employees
\$2,000 per fiscal year

Tuition reimbursement may be used for completion of a college degree or a certificate/professional accreditation program when the above conditions are met.

SECTION 1.19 OTHER ITEMS

Items not specifically addressed in the M&C PLAN shall continue to be addressed in Personnel Resolution, No. 91-64, the Employee Relations Resolution, No. 93-214 or the City Manager's employment contract. In the case of at-will employees with employment contracts, specific provisions in those contracts will supersede language in this document. Additionally, if there are any areas of conflict between the M&C PLAN and the City Managers' contract, the City Manager contract provisions will prevail.

APPROVED AND ADOPTED by the City Council of the City of Murrieta and signed by the Mayor and attested by the City Clerk this 15th day of October, 2019.

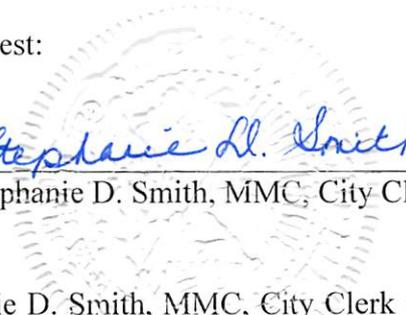
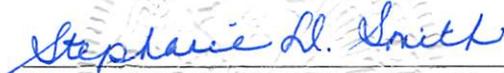
CITY OF MURRIETA:



Kelly Seyarto, Mayor

10/23/19
Date

Attest:

Stephanie D. Smith, MMC, City Clerk

10/23/19
Date

I, Stephanie D. Smith, MMC, City Clerk of the City of Murrieta, California, hereby certify that the foregoing Management and Confidential Employees Compensation Plan was duly adopted at a meeting of the City Council of said City at its meeting held on the 15th day of October, 2019 by the following vote, to wit:

Ayes: Ingram, Vinton, White, Seyarto

Noes: None

Absent: None



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Murrieta, California, this 15th day of October, 2019.

CITY CLERK