



City of Vernon

CITYWIDE FRINGE BENEFITS POLICY

Adopted November 19, 2024

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INTRODUCTION

The Citywide Fringe Benefits Policy shall apply to all employees and officers of the City of Vernon. Exceptions, additions, and/or limitations to this basic policy may be found in respective Memoranda of Understanding or employment contracts. The existence of these policies shall not create or imply any employment contract or vested right of employees.

For those employees covered in respective memoranda of understanding (MOU), the provisions set forth in the applicable MOU shall prevail in the event that there is any conflict between provisions established in this Resolution and any provisions established in the respective MOU.

The provisions set forth in this Policy or as amended from time to time shall be effective upon City Council adoption, unless a specific effective date is stated therein.

FRINGE BENEFITS

Section 1. HOLIDAYS

- A. Authorized holidays are as set forth in Table 1, attached hereto and incorporated herein by reference. Municipal offices shall be closed on such holidays.
- B. The dates for observation of holidays shall be approved by the City Council.
- C. If an authorized holiday falls on a Sunday, the following Monday shall be treated as the holiday. Holidays falling on a Friday, or Saturday, shall not be granted as an authorized holiday to employees.
- D. An employee whose regular shift assignment falls on an authorized holiday and who is required to work on that day shall be paid at his/her regular hourly rate of pay for the holiday, plus his/her regular hourly rate including any applicable overtime pay for the actual hours he/she was required to work on the authorized holiday.
- E. Temporary and part-time employees are not eligible for paid holidays.
- G. All full-time employees may use vacation time or compensatory time for a religious holiday (not listed herein as an authorized holiday) with the prior approval of the department head. If there is insufficient accumulated time, the employee may request the time as unpaid leave of absence.

TABLE 1 - HOLIDAY

HOLIDAY
January 1 st - New Year's Day
3 rd Monday in January - Martin Luther King Jr. Day
3 rd Monday in February - Presidents Day
March 31 st - Cesar Chavez Day
Last Monday in May – Memorial Day
July 4 th – Independence Day
1 st Monday in September – Labor Day
2 nd Monday in October – Indigenous Peoples' Day
November 11 th – Veterans Day
4 th Thursday in November - Thanksgiving Day
December 24 th – Christmas Eve
December 25 th – Christmas Day
December 31 st – New Year's Eve
And other days as such designated by City Council.

Section 2. EXECUTIVE LEAVE

- A. **Executive and Management** - Includes City Administrator, City Attorney, City Clerk, City Treasurer and the heads of all Departments as listed in the City Code or City Charter and their respective Deputies and Assistant Directors shall receive, effective January 1 of each calendar year, 80 hours of Executive leave.
- B. The 80 hours may not be carried over into the succeeding calendar year and is lost and not eligible for cash payout if not used by December 31 of each calendar year.
- C. Executive and Management staff hired, promoted, or reclassified on or after April 1 of each calendar year shall be eligible to receive pro-rated executive leave hours during the year of hire as identified below:

Hired, Promoted, or Reclassified on or Between	Executive Leave
January 1 – March 31	80 hours
April 1 – June 30	60 hours
July 1 – Sept. 30	40 hours
Oct 1 – Dec. 31	20 hours

- D. **Mid-Management** – Staff who are designated as exempt in accordance with the Fair Labor Standards Act (FLSA) shall receive, effective January 1 of each calendar year, 60 hours of Executive leave.
- E. The 60 hours may not be carried over into the succeeding calendar year and is lost and not eligible for cash payout if not used by December 31 of each calendar year.
- F. Mid-Management FLSA exempt staff hired, promoted, or reclassified on or after April 1 of each calendar year shall be eligible to receive pro-rated executive leave hours during the year of hire as identified below:

Hired, Promoted, or Reclassified on or Between	Executive Leave
January 1 – March 31	60 hours
April 1 – June 30	45 hours
July 1 – Sept. 30	30 hours
Oct 1 – Dec. 31	15 hours

- G. All Executive leave requests should be approved by the department head or City Administrator at least ten days in advance of the date to be taken, although the department head retains discretion to approve the use of Executive Leave in special circumstances.
- H. The City Administrator or his/her designee may grant additional executive leave upon commencement of employment in order to attract highly qualified and experienced executive and management level staff.

Section 3. OVERTIME

- A. It shall be the duty of all department heads to operate their respective departments with a minimum amount of overtime. If the best interests of the City require that an employee work beyond the forty (40) hours of work scheduled, such employee shall be compensated as set forth hereinafter.
- B. The department head may reschedule the workweek of employees in positions not exempt from the FLSA to allow credit for productive hours actually worked on one day (excluding lunch periods) towards the regular paid workweek schedule. For example, if an employee works twelve (12) hours on one day (based on a ten (10) hour day), the entire twelve hours will be recorded on the time card as paid worked time. In this example, the department may schedule the employee to work only eight (8) hours on one of the other scheduled workdays in the workweek, as long as the employee’s hours for the workweek do not fall below the minimum paid work hours schedule.

- C. All overtime requests must have prior written authorization of the respective department head or designee prior to the commencement of such overtime work. Where prior written authorization is not feasible, explicit verbal authorization must be obtained. Where verbal authorization is obtained, written authorization must be obtained as soon thereafter as practicable.
- D. Except as may be provided in specific memoranda of understanding, employees will be paid overtime at time and a half (1.5) of their regular hourly rate for all eligible hours worked in excess of forty (40) hours in a single workweek.
- E. Holidays (regular, in-lieu), vacation time, sick leave, compensatory time, paid jury duty leave, and bereavement leave shall count as time worked for the purposes of computing overtime. Unpaid jury leave, disciplinary suspensions, and administrative leave shall not count as time worked for the purpose of computing overtime.
- F. In the event a part-time or temporary employee is required to work beyond his/her assigned working hours, compensation shall be at the normal hourly rate up to forty (40) hours per workweek. For hours worked beyond forty (40) in a workweek, such employee shall be compensated at the rate of one and one-half of (1.5) said employee's hourly rate.
- G. If an employee works on his/her regular day off, the employee will receive paid compensation or receive compensatory time, at the employee's discretion. With a mutual agreement between an employee and his/her supervisor, an employee's regular day off may be rescheduled to another day off in the same pay period.
- H. An employee is expected to begin work no more than five (5) minutes prior to the beginning of his or her scheduled start time, and to stop work no later than five (5) minutes after the end of his or her scheduled ending time. An employee who wishes to begin or end work at a different time must obtain written approval from his or her department head prior to working the different or additional time.
- I. Straight time and overtime will be compensated in six (6) minute segments of time.
- J. While overtime should be attempted to be distributed equally amongst all employees in a given classification, the department head retains discretion to assign such overtime.
- K. The City Administrator, department heads and those management employees designated by the City Administrator as exempt under the provisions of the Fair Labor Standards Act (FLSA) shall not be subject to the provisions of this section relating to overtime, but shall work such hours as may be necessary for the effective operation of their respective departments.
- L. Please refer to Human Resources Policy, Salary Plan Administration II-3.

Section 4. COMPENSATORY TIME

- A. All regular full-time employees may request to accrue compensatory time in lieu of cash payment for overtime worked. The total compensatory time accrued is calculated by multiplying the number of hours of overtime worked by the applicable overtime rate (1, 1.5 or 2), and is subject to the approval of the department head.
- B. Compensatory time may be accumulated up to a maximum of eighty (80) hours. It is at the employee's option whether to receive overtime compensation or compensatory time accruals up to the 80-hour limit.
- C. Compensatory time shall be taken in 6-minute increments. Scheduling of compensatory time requires prior approval and must be preceded by a ten (10) day notice of intended use from the employee. Management may waive the ten (10) day notice in cases of emergency.
- D. Employees who have reached the 80-hour limit shall receive overtime compensation. There are no cash payouts of compensatory time once an employee has elected compensatory accrual.

Section 5. COURT TIME

- A. The required presence in a court of law of any employee subpoenaed to testify in a matter arising within the course and scope of his/her City employment shall be compensated in accordance with the below provisions.
- B. For each day that the presence of the employee is required in a court of law in response to an order or subpoena in relation to an incident or event arising out of the course and scope of employment with the City, the employee shall be given a paid leave of absence.
- C. For each day an employee is required in a court of law in response to an order or subpoena in relation to an incident or event arising out of the course and scope of employment with the City that is outside of the employee's regularly scheduled work shift, the employee shall be given a paid leave of absence.
- D. An employee who needs to appear in court on any other matter not arising out of the course and scope of employment with the City shall be expected to use their accrued paid leave to make such appearance, or unpaid leave if no leave is available.

Section 6. VACATION

- A. Except as provided for in respective memoranda of understanding, every full time employee who has been in the continuous employment of the City shall receive annual vacation leave as set forth in below:

Mid-Management and Confidential Staff:

<u>Continuous Years of Service</u>	<u>Vacation Hours Earned</u>	<u>Bi-Weekly Accrual</u>
1 st year thru 4 th year	80	3.08
5 th year thru 9 th year	100	3.85
10 th year thru 14 th year	120	4.62
15 th year thru 24 th year	160	6.16
25 th year and more	190	7.31

Executive and Management Staff: Include the City Administrator, City Attorney, City Clerk, City Treasurer and the heads of all Departments as listed in the City Code or City Charter and their respective Deputies and Assistant Directors.

<u>Continuous Years of Service</u>	<u>Vacation Hours Earned</u>	<u>Bi-Weekly Accrual</u>
1 st year thru 4 th year	120	4.62
5 th year thru 10 th year	150	5.77
10 th year thru 15 th year	170	6.54
15 th year thru 25 th year	185	7.12
25 th year and more	190	7.31

- B. Current active employees as of July 1, 2022, who have had a previous break in service with the City shall receive credit for any previous full-time City of Vernon service for the purpose of determining accrual of vacation leave.
- C. Mid-Management and Confidential staff shall be allowed to accumulate and carry over to the next calendar year a maximum number of hours equal to the number of hours the employee accrued during the immediately preceding year. In or about February of each year, employees shall be compensated for unused accrued vacation benefit in excess of the allowed accumulated amount referenced herein.
- D. Executive and Management staff shall be allowed to accumulate up to a maximum accrual cap of 480 hours. Upon reaching the 480-hour maximum accrual cap, the employee shall continue to accrue vacation hours and shall be automatically cashed out for all hours in excess of 480 in February of each year.

- E. Vacation leave shall be scheduled with the approval of the City Administrator or department head or his or her designee by submitting a Leave Request Form in writing, within ten (10) business days before the beginning of the vacation. Vacation leave requests for extended times (3 weeks or more), unless an unforeseen emergency exists, shall be submitted at least thirty (30) days in advance of the beginning of the vacation.
- F. Vacations shall be approved subject to the needs of the department. The employee's seniority and wishes will be factors that are considered during the scheduling process.
- G. Vacation leave requests shall not be in excess of such leave actually earned at the time it is requested or in excess of the regular scheduled workweek.
- H. No vacation leave shall be accumulated by employees while they are on an unpaid leave of absence.
- I. Vacation may be taken prior to the completion of the employee's probationary period under special circumstances and with the approval of the department head.
- J. In the event one or more City holidays fall within a vacation period, such holidays shall not be charged as vacation leave.
- K. Upon separation from City employment, compensation shall be paid for vacation leave that has been earned but not taken.
- L. Vacation leave shall be requested in fifteen (15) minute increments.
- M. The department head retains discretion to cancel previously authorized vacation in the case of an emergency.
- N. The City Administrator or his /her designee may grant additional leave upon commencement of employment in order to attract highly qualified and experienced executive and management level staff.

Section 7. SICK LEAVE

- A. All full-time employees shall accrue up to 80 hours of sick leave per calendar year, at a rate of 3.08 of sick leave hours per pay period.
- B. Effective January 1, 2024, in accordance with the Healthy Workplaces, Healthy Families Act of 2014, all part-time and temporary employees (excluding CalPERS retired annuitants) working for 30 or more days within a year shall be entitled to accrue paid sick days at the rate of one (1) hour per every 30 hours worked and shall be eligible to use accrued sick leave after satisfying a 90-day employment period. Eligible part-time and temporary employees will accrue no less than 40 hours

of sick leave by the 200th calendar day of employment or each calendar year, or in each 12-month period.

- C. Employees shall only receive sick leave accrual while they are in a paid status.
- D. The City shall allow annual carry-over of sick leave hours for full-time employees up to a maximum accrual cap of 960 hours and 48 hours for eligible part-time/temporary employees. This bank of carry-over sick leave would provide a cushion for long-term illnesses and injuries.
- E. Any sick leave hours exceeding 960 hours (full-time) or 48 Hours (part-time will be compensated for in or about February of each year at 50% of the employee's hourly rate.
- F. Temporary employees are not eligible for cash-out of accrued sick leave hours.
- G. All employees who are rehired with a break in service of less than one year are entitled to have previously unpaid accrued and unused paid sick days reinstated.
- H. Sick leave shall be allowed on account of actual illness, for the diagnosis, care, or treatment of an existing health condition or preventative care for an employee or an employee's family member (including to care for a parent-in-law, grandparent, grandchild, or a sibling, in addition to child, parent, spouse or registered domestic partner). Sick leave shall also be allowed for an employee for certain purposes related to being a victim of domestic violence, sexual assault, or stalking. Preventive health care shall include medical and dental appointments (if such appointments cannot be arranged other than during working hours) and injury not arising out of and in the course of employment. Sick leave shall be used in increments of fifteen (15) minutes and shall not be taken in excess of time earned at the time it is taken.
- I. Foreseeable sick leave requires advance notification, while unforeseeable sick leave requires notice as soon as practicable. If sick leave on account of any of the above illnesses exceeds two (2) consecutive working days, the employee, prior to return to work, shall submit a statement of such disability illness or injury from the employee or family member's physician. The statement shall certify the physical condition of the employee/employee's family member that prevented the employee from performing the duties of said employee's position during the period of absence. The department head or designee, in accordance with departmental procedure, shall approve all sick leaves. Notwithstanding the above, the City may require verification of sick leave use whenever it has reason to believe there is misuse, abuse or a pattern of abuse.
- J. Abuse of sick leave, and excessive leave, may constitute grounds for disciplinary action. Abuse of sick leave includes, but is not limited to, not adhering to sick leave policies, using sick leave for purposes not enumerated in this policy, and falsifying

or misstating facts when using sick leave. A pattern of sick leave usage on Mondays, Thursdays, and immediately before and after holidays and/or vacations may be evidence of sick leave abuse. A violation of this policy will result in corrective action including counseling and/or disciplinary action, and/or a mandatory referral to the City's Employee Assistance Program (EAP). This determination of abuse does not apply to an employee's use of sick leave under an approved family, medical, and/or pregnancy disability leave in accordance with state and federal laws.

- K. If in the opinion of the department head it appears that an employee may be establishing a pattern of abuse of sick leave or frequent or excessive absences, a statement establishing the need for sick leave from the employee's physician may be required as a condition of approved sick leave.
- L. Employees may use accrued compensatory or vacation leave for extended sick leave absence because of a prolonged and continuing illness and/or medical treatment after sick leave has been exhausted.
- M. Employees are required to use accumulated sick leave concurrently with absences on account of a work related injury arising out of and in the course of his/her employment. In cases where the injury suffered is covered by Workers Compensation Insurance, accumulated sick leave must be used concurrently to make up the difference between Workers Compensation Insurance allowance and full base pay. Please refer to Personnel Policy, Family and Medical Leave Policy.
- N. If an employee resigns from the City with 20 years or more of continuous service, he/she will be compensated for all unused sick leave hours in his/her sick leave bank at the time of separation at 50% of his/her then current regular hourly rate of pay.
- O. If an employee retires from the City with 15 or more years of continuous service, but fewer than 20 years, he/she will be compensated for all unused sick leave hours in his/her sick leave bank at the time of separation at 50% of his/her then current regular hourly rate of pay. If an employee retires from the City with 20 or more years of continuous service, he/she will be compensated for all unused sick leave hours in his/her sick leave bank at the time of separation at 100% of his/her then current regular hourly rate of pay.
- P. If a temporary employee resigns or the temporary assignment has ended, he/she shall not be eligible for compensation of unused sick leave hours in his/her sick leave bank at the time of separation.

Section 8. FAMILY SICK LEAVE (KIN CARE)

Employees may use in any calendar year, up to one-half of employee's annual, accrued and available sick leave to attend to the illness of a child, parent, spouse, domestic partner, sibling, parent-in-law, grandchild, or grandparent. In the case of joint custody of a child, illness of the child occurring at the other custodial parent's house may also qualify. All family sick leave shall be approved by the department head.

Section 9: BEREAVEMENT LEAVE

- A. Permanent full-time employees, regardless of period of service, may in the event of death or if death appears imminent, of any "immediate family member" as defined below, including the equivalent relatives of a registered domestic partner, be allowed up to the equivalent of four (4) work days (total hours may vary depending on work schedule) of bereavement leave without loss of salary.

Relative	All Regular Employees
Spouse	4 work days
Child	4 work days
Registered Domestic Partner	4 work days
Step-Child	4 work days
Parent	4 work days
Step-Parent	4 work days
Mother-in-law	4 work days
Father-in-law	4 work days
Grandchild	4 work days
Step-Grandchild	4 work days
Grandparent	4 work days
Grandparent-in-law	4 work days
Brother	4 work days
Sister	4 work days
Step-Sister	4 work days
Step-Brother	4 work days
Daughter-in-law	4 work days
Son-in-law	4 work days
Brother-in-law*	4 work days
Sister-in-law*	4 work days

**Brother-in-law and sister-in-law are defined as the spouse of the employee's sibling or the sibling of the employee's spouse.*

- B. Bereavement leave is paid over a maximum of seven (7) workdays and is paid in thirty-minute increments. The bereavement leave begins on the first regularly scheduled workday as requested by the employee. If the employee learns of the

death while at work, he or she is entitled to leave work immediately; this partial day leave will not be counted towards the bereavement leave.

- C. Bereavement leave must be authorized by the Department head and must be utilized within fifteen (15) days of employee learning of the death, or of the date of foreseen imminent death of the immediate family member, unless special circumstances require that the leave begin at a later date. Such requests to the Department head shall be made within 15 days of the employee learning of the death or of the date of foreseen imminent death and shall not be unreasonably denied.
- D. Representatives may be authorized by the Department head to attend with pay the funeral of a co-worker in said department on behalf of the City if the funeral of the deceased co-worker occurs during working hours; provided the funeral is held within a reasonable distance of City limits.

Section 10: JURY DUTY

- A. All regular full-time employees summoned to serve on jury duty shall be provided "Jury Duty Pay" and there shall be no loss of compensation. An employee will be compensated up to two weeks (equivalent to eight (8) days based on City Hall schedule Monday through Thursday) at full pay for jury duty. The employee must provide notice of the expected jury duty to his or her supervisor as soon as possible, but in no case later than 14 calendar days before the expected start date of the jury duty.
- B. An employee on call for jury duty is expected to report to work. An employee who is called in for jury duty does not have to report to work before or after appearing in court. All employees shall obtain verification of the hours of jury duty performed using verification forms as may be supplied by the court.
- C. Except as herein provided, employees shall remit to the City any compensation received for those days while on jury duty and shall receive regular pay for the time served. Employees shall be reimbursed by the City for the mileage portion of the jury duty compensation. Jury duty performed on an employee's regular day off shall not be compensated by the City and the employee shall be entitled only to the jury's compensation for duty performed on such employee's regular day off. Employees assigned to jury duty on a City authorized holiday will be considered to have taken such a holiday and will receive regular holiday pay, but the employee shall be entitled to the jury compensation for duty performed on such holiday.

Section 11: AUTOMOBILE ALLOWANCE AND REIMBURSEMENT FOR EXPENSES

- A. Any employee who is required to use said employee's personal automobile in the course of employment with the City shall be reimbursed for each mile actually

traveled on official business in accordance with the per mile reimbursement rate allowed by the Internal Revenue Service in effect at the time of such travel.

- B. Any employee who is required to travel in the performance of his or her duties or to attend an authorized meeting or conference which is of benefit to the City shall be reimbursed for reasonable expenses incurred for transportation, meals, lodging and incidentals. Automobile allowance and reimbursement for expenses shall be recommended by the department head or designee and approved by the City Administrator pursuant to the provisions of the City of Vernon Travel and Meeting Expense Reimbursement Administrative Policy. No allowance shall be made for transportation between the employee's home and the place where such person is normally employed by the City.
- C. The City Administrator shall have the option to receive a monthly automobile allowance of \$600 or shall be provided a City Vehicle and Fuel. Executive and Management Staff consisting of the Director of each City Department and their respective Deputy Director or Assistant Director shall be eligible to receive a \$400 monthly automobile allowance or be provided a City Vehicle and Fuel as determined by the City Administrator.
- D. Employees who occupy the following classifications shall receive a monthly automobile allowance or be provided the use of a City Vehicle and Fuel as set forth below.

Classification	Amount
City Attorney (non-contract)	\$400.00
Environmental Health Program Administrator	\$400.00
Assistant General Manager of Public Utilities	City Vehicle & Fuel
Utilities Operations Manager	City Vehicle & Fuel
Utilities Engineering Manager	City Vehicle & Fuel
Police Admin. Lieutenant	City Vehicle & Fuel
Police Canine Officer #1	City Vehicle & Fuel
Police Canine Officer #2	City Vehicle & Fuel
Police Captain	City Vehicle & Fuel
Police Lieutenant	City Vehicle & Fuel
Police Motor Officer #1	City Vehicle & Fuel
Police Motor Officer #2	City Vehicle & Fuel
Police Sergeant on Detective Duty	City Vehicle & Fuel

- E. Wherever an automobile allowance is made to any employee for the use of their personal automobile, such allowance shall not be payable whenever the employee is on vacation, leave of absence, or otherwise absent the entire calendar month, unless otherwise specified by the City Administrator.

- F. The City shall not be responsible for repairs or any additional costs for upkeep, fuel, lubrication, replacement in whole or in part, or other expenses in connection with any such vehicle beyond the respective amounts set forth above.

Section 12: HEALTH INSURANCE

- A. The City offers various medical plans to employees under a Section 125 Cafeteria plan (non-cash out). The City reserves the right to select, administer, or fund any fringe benefit program involving insurance that now exist or may exist in the future. The City will adhere to the cafeteria plan requirements in accordance with IRS Section 125 regulations.
- B. The City shall contribute for each full-time employee up to the maximum amounts as set forth below per pay period, toward the cost of his/her medical plan as outlined in Subsection A through C below. In the event an employee does not exhaust nor exceed his/her monthly medical allowance, the employee shall be allowed to apply any unused portion towards the purchase of dental, vision, supplemental or ancillary plans offered through the City and approved by the Director of Human Resources.
 - a. Effective July 1, 2016, employees shall receive a cafeteria plan contribution equal to the total premium costs of the Employee Only, Employee + Spouse, Employee + Child(ren), or Employee + Family Low Medical HMO, lowest cost Dental DMO, and lowest cost vision Plan that corresponds with the employees' benefit selection or \$1,120, whichever is greater. The allotment amounts will vary based on the premium costs that go into effect on January 1st of each calendar year.
 - b. Employees that elect a health plan higher than the Low HMO medical, dental and/or vision, will be responsible for any applicable, excess premium costs; however, if employees opt out of dental and/or vision coverage, they may use the allotments for those respective coverages toward excess medical premiums.
 - c. Employees who elect the PPO/HSA coverage shall receive an equal benefit to that described above, less \$3,000 on an annual basis, which would instead be deposited to their HSA account.
- C. City Council members are entitled to the same medical benefits offered to the management and confidential employees. The City shall not pay or reimburse any medical-related health, vision, or dental costs not covered by the City's insurance program or Medicare for City Council members or their eligible dependents or spouses.

- D. The City shall not provide or reimburse the City Council members or their dependents or spouses for expenses incurred relating to a PERS long-term health care benefit.

Section 13. DENTAL INSURANCE

The City of Vernon provides a dental insurance plan to full-time employees. In the event an employee does not exceed his/her monthly employer medical allowance, the employee shall be allowed to apply any unused portion toward the purchase of dental insurance for himself/herself and eligible dependents (spouse, registered domestic partners and qualified dependents). The cost of any plan selected by the employee that exceeds his/her monthly employer medical allowance shall be paid by the employee through a pre-tax payroll deduction.

Section 14. VISION INSURANCE

The City of Vernon provides a vision care plan to full-time employees. All premiums for vision coverage at each tier of coverage are to be deducted from the total monthly City contribution for Medical, Dental, and vision coverage. In the event an employee does not exceed their monthly employer medical allowance, the employee shall be allowed to apply any unused portion towards the purchase of additional provided coverage for vision care.

Section 15. LIFE INSURANCE

The City provides life insurance up to \$20,000 in coverage to full-time employees. The City shall pay 100% of the cost of such plan for employees. The City's agreement to pay full or partial costs of said premiums shall not create or ripen into a vested right for said employee.

Section 16. DEFERRED COMPENSATION PLAN

Employees are eligible to participate in the City's Deferred Compensation Program.

Section 17. CALIFORNIA PUBLIC EMPLOYEE RETIREMENT SYSTEM (CALPERS) CONTRIBUTION

The City advises that it makes no representation to employees as to whether any of the compensation or payments in this document are subject to CalPERS service credit or pensionable income. Any determination by CalPERS to not fully credit the compensation and/or service time provided under this document is not a proper basis on which to pursue any claim or action against the City related to any determination made by CalPERS in connection with this document.

MISCELLANEOUS EMPLOYEES

- A. The City shall maintain its contract with the California Employees Public Retirement System (PERS) that provides full-time employees hired before January 1, 2013 with 2.7% at 55 PERS retirement benefit plan.

As a result of the recent passage of AB 340, Public Employee Pension Reform Act (PEPRA), new CalPERS members hired on or after January 1, 2013 who meet the definition of new member under PEPRA, shall be provided a 2.0% at 62 PERS retirement benefit plan.

- B. Employees shall be responsible for paying 100% of their PERS employee's contributions.
- C. Effective the first pay period in July 2019, in accordance with Government Code Section 20516(f) pursuant to a cost-sharing arrangement, all employees designated as "classic" employees and enrolled in the "classic" retirement benefit formula shall share the cost of the employer CalPERS contribution by paying an additional 1% of CalPERS reportable compensation for a total contribution of nine percent (9%).

Effective the first pay period in July 2020, in accordance with Government Code Section 20516(f) pursuant to a cost-sharing arrangement, all employees designated as "classic" employees and enrolled in the "classic" retirement benefit formula shall share the cost of the employer CalPERS contribution by paying an additional 1% of CalPERS reportable compensation for a total contribution of ten percent (10%).

Effective the first pay period in July 2021, in accordance with Government Code Section 20516(f) pursuant to a cost-sharing arrangement, all employees designated as "classic" employees and enrolled in the "classic" retirement benefit formula shall share the cost of the employer CalPERS contribution by paying an additional 1% of CalPERS reportable compensation for a total contribution of eleven percent (11%).

- D. The City provides additional supplemental retirement benefits to full-time employees under CalPERS as follows:
- a. Gov't Code Section: 20042 – (Classic Members Only) One Year Final Compensation

New employees hired on or after January 1, 2013 who meet the definition of new member under PEPRA shall receive 3 Year Average Final Compensation

- b. Gov't Code Section: 21024 - Military Service Credit as Public Service
 - c. Gov't Code Section: 21624, 21626, 21628 – Post Retirement Survivor Allowance
 - d. Gov't Code Section: 21548 – Pre-Retirement Option 2W Death Benefit
 - d. Gov't Code Section: 21573 – Third Level of 1959 Survivor Benefits
- E. The payment to CalPERS made by the City on behalf of the affected employee shall not be considered as base salary but shall be considered an employer contribution pursuant to Section 414(h)(2) of the Internal Revenue Code.

SAFETY EMPLOYEES

- A. The City shall maintain its contract with the California Employees Public Retirement System (PERS) that provides full-time safety employees hired before January 1, 2013 with 3.0% at 50 PERS retirement benefit plan.

As a result of the recent passage of AB 340, Public Employee Pension Reform Act (PEPRA), new CalPERS safety members hired on or after January 1, 2013 who meet the definition of new member under PEPRA, shall be provided a 2.7% at 57 PERS retirement benefit plan.

- B. Employees shall be responsible for paying their PERS nine percent (9%) employee's contributions.
- C. Effective the first pay period in July 2019, in accordance with Government Code Section 20516(f) pursuant to a cost-sharing arrangement, all employees designated as "classic" employees and enrolled in the "classic" retirement benefit formula shall share the cost of the employer CalPERS contribution by paying an additional 1% of CalPERS reportable compensation for a total contribution of ten percent (10%).
- Effective the first pay period in July 2020, in accordance with Government Code Section 20516(f) pursuant to a cost-sharing arrangement, all employees designated as "classic" employees and enrolled in the "classic" retirement benefit formula shall share the cost of the employer CalPERS contribution by paying an additional 1% of CalPERS reportable compensation for a total contribution of eleven percent (11%).

Effective the first pay period in July 2021, in accordance with Government Code Section 20516(f) pursuant to a cost-sharing arrangement, all employees designated as “classic” employees and enrolled in the “classic” retirement benefit formula shall share the cost of the employer CalPERS contribution by paying an additional 1% of CalPERS reportable compensation for a total contribution of twelve percent (12%).

- D. The City provides additional supplemental retirement benefits to full-time employees under CalPERS as follows:
- a. Gov’t Code Section: 20042 – (Classic Members Only) One Year Final Compensation

New employees hired on or after January 1, 2013 who meet the definition of new member under PEPRA shall receive 3 Year Average Final Compensation
 - b. Gov’t Code Section: 20124 - Military Service Credit as Public Service
 - c. Gov’t Code 21574 – 4th Level 1959 Survivor Benefit (Fire members only)
 - d. Gov’t Code Section: 21571 – Basic Level of 1959 Survivor Benefit (Police members only)
 - e. Gov’t Code Section: 21624, 21626, 21628 – Post Retirement Survivor Allowance
 - f. Gov’t Code Section: 21548 - Pre-Retirement Option 2W Death Benefit (Fire members only)
 - g. Gov’t Code Section 20965 – Credit for Unused Sick Leave
- E. The payment to CalPERS made by the City on behalf of the affected employee shall not be considered as base salary but shall be considered an employer contribution pursuant to Section 414(h)(2) of the Internal Revenue Code.

Section 18. RETIREE MEDICAL - NON-SAFETY EMPLOYEES

- A. The City will pay up to the amount equivalent to the then current, lowest cost, HMO insurance premium for the City’s medical and/or dental insurance premium(s) for the employee and their eligible spouse for all full-time employees designated as Executive who retire at age 55 or later with at least twenty (20) years of eligible service. Eligible retirees may opt not to enroll in the City’s medical and/or dental insurance coverage and instead receive a monthly reimbursement up to the then-current lowest cost City-offered medical HMO and/or dental HMO insurance premium for the employee and eligible spouse.

Once an eligible retiree opts not to enroll in the City's medical and/or dental insurance, he or she will not be allowed to re-enroll. Once an eligible retiree who has opted out reaches Medi-care eligibility, the retiree shall receive a monthly reimbursement to the then-current cost of supplemental coverage. Eligible service shall include cumulative employment in the public sector at other public agencies.

- B. The City will pay up to the amount equivalent to the then current, lowest cost, employee only HMO insurance premium for the City's medical and/or dental insurance premium(s) for all full-time employees designated as Management, Mid-Management and Confidential who retire at age 60 or later with at least twenty (20) years of continuous uninterrupted service. Eligible retirees may opt not to enroll in the City's medical and/or dental insurance coverage and instead receive a monthly reimbursement up to the then-current lowest cost City-offered Employee-only medical HMO and/or dental HMO insurance premium. Once an eligible retiree opts not to enroll in the City's medical and/or dental insurance, he or she will not be allowed to re-enroll. Once an eligible retiree who has opted out reaches Medi-care eligibility, the retiree shall receive a monthly reimbursement to the then-current cost of supplemental coverage.
- C. Eligible retirees will be permitted to enroll in a higher-cost plan and pay the amount in excess of the HMO equivalent.
- D. All full-time regular employees with at least thirty (30) years of continuous uninterrupted service who retire before the age of sixty (60) years will be permitted to pay their medical and/or dental insurance premiums, and, upon reaching the age of sixty (60), the City will pay up to the amount equivalent to the then current lowest cost, employee only HMO medical and/or dental insurance premium(s).
- E. All full-time regular employees, who retire with a minimum of ten (10) years of continuous uninterrupted service with the City, may pay the premium(s) for medical and/or dental insurance.
- F. Current active employees as of July 1, 2022, who have had a previous break in service with the City shall receive credit for any previous full-time City of Vernon service for the purpose of determining eligibility for retiree medical benefits.
- G. All retiree medical and/or dental insurance benefits provided pursuant to subsections A, B, and C above, shall be for retired employees only and shall not include their spouses or other dependents.
- H. All retired employees who receive medical and/or dental insurance benefits pursuant to subsections A, B, or C above and who reach the age of sixty-five (65), are required to be enrolled in Medicare, and shall show proof of such enrollment, where upon the City's insurance policy will become supplemental

coverage, if applicable.

- I. Should the retired employee fail to pay any premiums due for the cost of the insurance premium for the City's medical-dental insurance program for any two (2) consecutive months, or should the coverage otherwise lapse for any reason other than City's non-payment, then the City's obligation to make further payment under the retiree medical benefits program shall automatically terminate and cease, without the need for further notice.
- J. The City's obligation to make any payment under the retiree medical benefits program shall automatically terminate and cease upon the death of the retired employee.
- K. The offer of the retiree medical benefits is not a vested right for future years.
- L. City Council members are entitled to the same retiree medical benefits offered to all full-time regular employees as identified under the citywide resolution for retiree medical benefits in effect at the time Council members retire.

Section 19. LONGEVITY PROGRAM

A. LONGEVITY PROGRAM FOR EMPLOYEES EMPLOYED ON OR BEFORE JUNE 30, 1994.

The City has established a longevity program for all employees. The longevity program described herein will apply to all employees, except Department Heads and employees covered in a collective bargaining agreement, employed on or before June 30, 1994.

a. Five (5) Years of Service.

All eligible employees who have five (5) years of consecutive uninterrupted service on or before July 1, 1986, shall receive an additional five percent (5%) per month of their base salary effective July 1, 1986, and every year thereafter until reaching the next step. Employees upon reaching their 5th anniversary date after July 1, 1986, shall be entitled to said five percent (5%) per month upon said anniversary date.

b. Ten (10) Years of Service.

All eligible employees who have ten (10) years of consecutive uninterrupted service on or before July 1, 1987, shall receive an additional ten percent (10%) per month of their base salary effective July 1, 1987, and every year thereafter until reaching the next step. Employees upon reaching their 10th anniversary date after July 1, 1987, shall be entitled to said ten percent (10%) per month upon said anniversary date.

c. Fifteen (15) Years of Service.

All eligible employees who have fifteen (15) years of consecutive uninterrupted service on or before July 1, 1988, shall receive an additional fifteen percent (15%) per month of their base salary effective July 1, 1988, and every year thereafter until reaching the next step. Employees upon reaching their 15th anniversary date after July 1, 1988, shall be entitled to said fifteen percent (15%) per month upon said anniversary date.

d. Twenty (20) Years of Service.

All eligible employees who have twenty (20) years of consecutive uninterrupted service on or before July 1, 1989, shall receive an additional twenty percent (20%) per month of their base salary effective July 1, 1989, and every year thereafter. Employees upon reaching their 20th anniversary date after July 1, 1989, shall be entitled to said twenty percent (20%) per month upon said anniversary date.

e. Compensation Not Cumulative.

Payment of the aforesaid longevity compensation shall not be cumulative and only the highest applicable longevity pay shall be paid.

B. LONGEVITY PROGRAM FOR EMPLOYEES ON OR AFTER JULY 1, 1994 AND ON OR BEFORE DECEMBER 31, 2013.

The longevity program described in Section B herein will apply to all employees, except Department Heads and employees covered in a collective bargaining agreement, employed on or after July 1, 1994.

a. Five (5) Years of Service.

All eligible employees who are employed on or after July 1, 1994 and on or before December 31, 2013, who attain five (5) years of consecutive uninterrupted service shall receive an additional five percent (5%) per month of their base salary. Such employees upon reaching their 5th anniversary date shall be entitled to receive said five percent (5%) per month upon said anniversary date. Further, such employees will not be entitled to receive any additional percentage increase to their base salary for further service. This subsection shall only apply to employees hired on or after July 1, 1994 and on or before December 31, 2013.

Section 20. BILINGUAL PAY

A program is hereby established for all employees whose regular and essential job duties as described in their job description provide for interaction with the public on a regular basis, allowing said employee to be compensated for bilingual skills after the employee demonstrates proficiency in speaking Spanish (the ability to read and write in Spanish may also be tested, if necessary), which proficiency would be determined by successful completion of a proficiency test as determined by the Director of Human Resources. Those employees who successfully demonstrate this skill would be eligible to receive an additional Two Hundred Seventy-Five Dollars (\$275) per month for bilingual pay.

Section 21. UNIFORM ALLOWANCE

- A. If an employee's job classification requires him/her to wear a uniform while on duty, as designated by the City or employee's Department, the City will provide and launder such uniform.
- B. For the Administrative Secretary and Police Records Manager that works in the Police Department, the City will provide the initial set of uniforms to the employees. The newly hired employee will receive: two (2) class A uniforms; two (2) class B uniforms; two (2) polo shirts and one (1) jacket or sweater. On all subsequent anniversary dates the City will provide an annual uniform purchase and maintenance allowance of \$600.00. The employee's uniforms shall meet the applicable regulations for his/her job classification pursuant to City/Departmental policies.
- C. The monetary value of uniforms shall be reported to CalPERS in accordance with CCR 571(a) and as defined by GC 7522.04(f)

Section 22. STAND-BY POLICY

The purpose of the Stand-by Policy is to have employees on stand-by to respond to major incidents and emergencies during non-working hours which require immediate attention to availability of qualified individuals with expertise in operating, maintaining, restoring and repairing the City's technology systems.

- A. It is presently anticipated that the need for stand-by is for one (1) Information Technology staff, with the understanding that actual stand-by staffing, if any, remains at the discretion of the department head.
- B. The Stand-by Policy does not apply to FLSA exempt managers and Executive staff.
- C. Stand-by duty requires that an employee be accessible, available, and physically able to report to work. The employee must possess a City issued mobile phone device that remains available for immediate contact. The employee must be ready, willing, and able to respond to an emergency or incident or request for assistance based on a pre-arranged schedule. Employees on stand-by must respond to the mobile phone call immediately and be able to respond to the City within one (1) hour of being called upon. The department head or designee will determine if an employee is qualified to perform stand-by duties. The stand by duty period shall be defined by the Department Head.
- D. Employees on "stand-by" shall receive two (2) hours of regular straight time compensation for each date that the employee is assigned to be on stand-by. Stand-by time is not counted as hours worked for purposes of overtime calculation

as employees are not restricted in their activities and may engage in non-work related personal activities. On City-recognized Holidays where City Hall is closed, employees on stand-by will be compensated four (4) hours of straight time compensation.

- E. An employee assigned to stand-by who is not available to report will be subject to appropriate disciplinary action, unless the employee provides sufficient notice to their immediate supervisor of their incapacity to respond prior to the call back so that appropriate arrangements can be made for stand-by coverage.
- F. When an employee on “stand-by” is called back to the City, he/she shall be entitled to “stand-by” pay. Call back duty does not occur when an employee is held over from his/her prior shift, or is working planned overtime. An employee called back to duty shall be paid a minimum of four (4) hours of pay at the applicable overtime rate. Time begins when the call back request is received and ends when the employee returns home. If work is performed remotely, the employee shall receive hour for hour compensation at the applicable overtime rate.
- G. The employee will at times remain able to immediately respond to any emergencies.
- H. Each employee on stand-by duty is accountable to all of the rules and regulations of the City.
- I. In the event of a call back, the employee will wear his/her City uniform, if applicable.

Section 23. PER DIEM:

Per Diem is intended as a reimbursement to temporary/interim employees recruited from outside the Los Angeles County area when working in a temporary or interim assignment due to a critical staffing shortage to cover expenses relating to lodging/housing, travel, meals, and incidentals. The rate is set at \$125.00 for each day the employee physically reports to work at the City of Vernon. The eligibility to receive this per diem must be pre-approved and is at the discretion of the City Administrator.

Section 24. COMPENSATION FOR CLASSIFICATIONS DESIGNATED AS EXECUTIVE, MANGEMENT, MID-MANAGEMENT, CONFIDENTIAL, UNCLASSIFIED, AND ELECTED OFFICIALS:

EXECUTIVE

There shall be no Cost of Living Salary Adjustments (COLA) for classifications designated as Executive for the fiscal year July 1, 2022 through June 30, 2023.

Effective the first full pay period in July, 2023, the salary ranges for classifications designated as Executive shall be increased by 2.5%

Effective the first full pay period in July, 2024, the salary ranges for classifications designated as Executive shall be increased by 2.5%.

MANAGEMENT & MID-MANAGEMENT

Effective in July, 2022, employees who occupy classifications designated as Management and Mid-Management shall receive a one-time lump sum Off Salary Schedule payment equivalent to 3% of their annual base salary. This one-time Off Salary Schedule Payment is given in lieu of any Cost of Living Adjustment or general salary increase.

Effective the first full pay period in July, 2023, the salary ranges for classifications designated as Management and Mid-Management shall be increased by 3%.

Effective the first full pay period in July, 2024, the salary ranges for classifications designated as Management and Mid-Management shall be increased by 3%.

CONFIDENTIAL, UNCLASSIFIED, AND ELECTED OFFICIALS

Effective the first full pay period in July, 2022, the salary ranges for classifications designated as Confidential, Unclassified, and Elected Officials shall be increased by 3%.

Effective the first full pay period in July, 2023, the salary ranges for classifications designated as Confidential, Unclassified, and Elected Officials shall be increased by 3%.

Effective the first full pay period in July, 2024, the salary ranges for the classifications designated as Confidential, Unclassified, and Elected Officials shall be increased by 3%.