



**City of Temecula**

**Management Compensation Plan**

Effective July 1, 2021

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## **Section 1: Introduction**

This Management Compensation Plan (MCP) will govern the compensation and schedule of benefits for Confidential, Management, and Executive Management employees of the City of Temecula (City).

### **Definitions**

1. **Executive Management:** Employees who are either Department Directors or defined as Executive Management by the Temecula Municipal Code or by City Policy. Executive Management employees are generally exempt from Fair Labor Standards Act (FLSA) overtime requirements. This exemption is based upon the fact that all executive management employees have passed the salary and duty tests required for this exemption.
2. **Management:** All employees defined as Management employees by the Temecula Municipal Code or City policy. Management employees are generally exempt from FLSA overtime requirements. This exemption is based upon the fact that all management employees have passed the salary and duty tests required for this exemption.
3. **Confidential:** Confidential Employees are defined as an employee whose duties normally require access to confidential information; an employee who acts in a confidential capacity who contributes significantly to the development of management policies and procedures. Confidential employees will be reviewed on a classification-by-classification basis to determine if they are or are not eligible for exempt status.

## **Section 2: Personnel Files**

The official personnel file of each employee shall be maintained in the Human Resources Department. An employee may authorize a supervisor/manager in writing to review or obtain copies of the employee's file with the exception of material that includes ratings, reports or records which are obtained prior to the employment of the employee involved.

### **2.1 Derogatory Material**

Derogatory written materials (generally written reprimands and disciplinary suspension, excluding performance evaluation) shall be removed from an employee's official file in the Human Resources Department, providing there have been no further occurrences of documented violations, at the employee's request. Written reprimands are eligible to be removed, after two (2) years and disciplinary suspension after three (3) years if above criteria have been met. In order for the derogatory written materials to be removed, Human Resources must receive a formal written request from the employee to remove such materials.

## **2.2 Derogatory Material on File**

Employees shall be provided a copy of any derogatory material that is to be placed in their official file.

## **2.3 Customer/Citizen Letters of Commendation**

All customer or citizen letters of a positive nature and/or any City commendations, letters of achievements and recognition will be placed in the employee's personnel file, at the employee's request.

## **Section 3: Hours of Work**

The City has an absolute right to assign work schedules for City employees. If the City proposes to change the work schedule of a classification or an employee in a classification, covered by this plan, the City will provide the employee with a written notice which will include the valid business need for the schedule modification. Such written notice will be provided at least ten (10) business days in advance of any change.

The City will continue to offer alternative Work Plans where business needs (e.g., customer service and employee productivity) are prioritized and uncompromised. Examples of alternative Work Plans include:

- 9/80 Work Plan: an employee works nine days in a two-workweek period, but scheduled to work 40 hours in either workweek.
- 4/10 Work Plan: an employee works 4 10-hour days in a workweek for a total of 40 scheduled work hours.

Unlike non-exempt employees, exempt employees receive a salary for their services and are not responsible for reporting their work hours on an hour for hour basis. Management employees will receive full day compensation when hours worked, on that day, is only partial, with the understanding that Management (exempt) employees work more than an average of 40-hours per week.

### **3.1 Participation**

Employees have the option of participating in an alternative Work Plans if the Department Director has agreed, and the affected classification is eligible based upon the scheduling and service needs of the department. Upon Department Director approval, employees may change between Work Plans on a temporary or on-going basis.

### **3.2 Work Week**

5/40 and 4/10 work week defined: for the purpose of computing overtime, the workweek for employees who work the 5/40 or 4/10 schedule is a seven (7) day period beginning at 12:01 a.m. on each Saturday and ending at midnight on each Friday.

9/80 work week defined: for the purpose of computing overtime, the work week for regular employees who work the 9/80 schedule is a seven (7) day period beginning exactly four hours after the start time of the regular employee's work schedule on the day of the week the employee is scheduled to work eight (8) hours.

### **3.4 Alternating Day Off Designation**

Friday will be the only alternating day off during the week unless modified by the Department Director. Executive Staff member modifications must be approved by the City Manager.

### **3.5 Flexible Working Hours**

An employee may flex their work hours within the assigned work schedule (9/80 vs. traditional) with Department Director approval. Flexible work hours are defined as start and stop times within a day which may vary, including lunch duration, as long as it stays within their assigned work schedule and is in accordance with relevant labor laws.

## **Section 4: Compensation Adjustments**

Effective July 1, 2019, all employees subject to this Management Compensation Plan shall receive a Cost of Living Adjustment equivalent to the lower of either the percentage change of the CPI for Urban and Clerical Workers for Riverside-San Bernardino-Ontario, CA for January 2019 compared to January 2018, or 3%. If the CPI comparison is negative, the Cost of Living Adjustment shall be 0%.

### **4.1 Longevity Compensation**

Upon completion of 10 years of City Service, employees covered by this plan will receive a one time lump sum Longevity Bonus of \$350.

Upon completion of 15 years of City Service, employees covered by this plan will receive a one time lump sum Longevity Bonus of \$500.

Upon completion of 20 years of City Service, employees covered by this plan will receive a one time lump sum Longevity Bonus of \$750.

Upon completion of 25 years of City Service, employees covered by this plan will receive a one time lump sum Longevity Bonus of \$1,000.

### **4.2 Special Merit Pay**

In an effort to recognize and reward sustained superior performance, the City will provide a Special Merit Pay Program to eligible employees.

Employees will be eligible for \$500 in Special Merit Pay, on their service anniversary date, if they have an overall rating of "Commendable" or "Outstanding" on three out of their last five annual evaluations. The overall rating needs to be Commendable or Outstanding including + or -. Combination ratings such as Typically Meets/Commendable (T/C) will not be counted as an eligible rating. Should there be a

change to the rating categories as a result of revisions to the City's Performance Evaluation format, the City agrees to discuss needed adjustments to this provision.

If an employee's annual evaluation is 90 days overdue and they are eligible for Special Merit Pay, a rating of "Commendable" or "Outstanding" will be required on only two out of the employee's last four annual evaluations. The Special Merit Pay will be paid to an eligible employee as soon as practicable following the 90 day period.

Executive Staff members are not eligible for Special Merit Pay as outlined in this section.

### **4.3 Bilingual Pay**

Employees, who have demonstrated the ability to translate both written and spoken Spanish, by passing an annual City administered test, will receive \$50 per pay period for bilingual compensation.

This bilingual compensation is provided as an incentive to recruit and retain bilingual employees in order to ensure that the City provides quality customer service to residents.

For the purpose of this policy, the City will provide bilingual compensation to a maximum of two employees in each operating department. If more than two employees are eligible, actual compensation will be awarded based on the two highest scores on the annual City administered test. Based on service level needs, the number of eligible employees can be modified by the City Manager or designee to meet the City's needs.

### **4.4 Notary Pay**

The City will provide \$25.00 per pay period to employees who maintain a public notary and who are designated by the City as a Public Notary.

### **4.5 PERS Reportability**

The City makes no representation as to whether any of the compensation or payments in this MCP 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 MCP is outside of the City's control.

## **Section 5: Holiday Pay**

### **5.1 Assigned Schedule for Holiday Pay**

Based upon the eligible employee's assigned schedule, they will receive holiday pay for hours worked on the applicable City observed holiday.

### **5.2 Pro-Rated Holiday Pay**

Regular part-time employees receive holiday pay on a pro-rated basis based on the employee's assigned work schedule.

### **5.3 Scheduled to Work a Holiday**

If a Confidential Non-exempt Employee is required to work on a holiday, then that employee will be paid for the actual hours of work at the rate of one and one half times that employee's regular rate of pay plus a shift differential, in accordance with Section 10. In addition, the employee will be paid holiday pay in accordance with Section 5.1 or 5.2.

### **5.4 Work Plan for Holiday Pay on Employee's Scheduled Day Off**

If a holiday occurs on an employee's scheduled day off, the employee will receive holiday pay in the amount of eight (8), nine (9), or ten (10) hour increments, as applicable, preceding the observed holiday.

### **5.5 Floating Holiday**

Based upon the eligible employee's assigned schedule, a floating holiday will be provided at the beginning of each fiscal year. The floating holiday hours will be pro-rated at the time of hire. When using a floating holiday, employee must use the hours in one block. The floating holiday cannot be used to make up time for being short time during a regular workday. The floating holiday needs to be treated as a regular City observed holiday. The floating holiday may not be carried over year to year and cannot be cashed out at the end of a fiscal year.

## **Section 6: City Holidays**

Benefitted employees receive a total of 12 City holidays each calendar year. The City observes the following 12 fixed holidays:

New Year's Day  
Martin Luther King, Jr. Birthday  
President's Day  
Memorial Day  
Independence Day  
Labor Day  
Veteran's Day  
Thanksgiving Day  
Friday following Thanksgiving Day  
½ day – Christmas Eve Afternoon  
Christmas Day  
½ day – New Year's Eve Afternoon

Observance: holidays which fall on a Saturday will normally be observed on the preceding Friday, holidays which fall on a Sunday will normally be observed on the following Monday. The City Manager will determine the actual dates on which holidays will be observed each year. In the case of the ½ day holiday observances, City facilities will be closed to the public at noon.

One floating holiday is provided in each Fiscal Year this MCP is in effect. Floating Holidays must be scheduled in advance, similar to scheduling other time off.

Eligibility: regular employees who are on paid status for their entire regular work shifts immediately prior to and immediately following the holiday will be paid for the holiday. Workers' Compensation, short-term, and long-term disability payments shall be considered paid status for the purpose of eligibility.

## **Section 7: Overtime**

All non-exempt employees required to perform in excess of 40 hours in a work week, as defined in Sections 3.2 and 3.3, shall receive compensation at the rate of time and one-half of the employee's regular rate of pay for hours worked in excess of 40 hours. All employees required to perform in excess of 12 hours in a workday shall receive compensation at the rate of double time of the employee's regular rate of pay for those hours in excess of 12 hours. For the purposes of determining double time, a work day is defined as the 24-hour period beginning at 12:00AM and ending at 11:59:59PM.

In determining an employee's eligibility for overtime, paid and unpaid time off, as listed below, shall be excluded from the total hours worked. Also excluded are duty free lunches, travel time to and from work, and time spent conducting bona fide volunteer activities. Paid time off includes, but is not limited to, the following:

- A.     Unscheduled Comprehensive Annual Leave
- B.     Unscheduled Compensatory Time
- C.     Administrative Leave
- D.     Jury Duty
- E.     Bereavement Leave
- F.     Military Leave

There shall be no pyramiding of overtime, except for shift differential pay. Time worked shall be computed by rounding to the nearest 15 minute increment. As defined, if less than 7 minutes are worked then time worked will be rounded down and if the employee works between 7 and 15 minutes, then time worked will be rounded up. Employees may elect to receive compensation or bank the overtime as Compensatory Time. In addition the following provisions apply.

### **7.1 Time Worked**

Time worked: for purposes of this section, hours worked include only those hours in which the employee performs services authorized by the City.

## **Section 8: Overtime Authorization**

No non-exempt employee shall work overtime unless the working of overtime hours has been specifically authorized in advance, by the employee's supervisor.

Violations of this section can result in disciplinary actions pursuant to the City's Disciplinary Policy.

## **Section 9: Compensatory Time**

In lieu of receiving overtime pay pursuant to Section 7 (Overtime) and Section 8 (Overtime Authorization) a non-exempt employee may elect to receive compensatory time off on a time and one-half basis for each hour worked. Compensatory Time Off is considered permissive leave and subject to department approval consistent with Section 17 (Paid Leave). In addition, the following shall apply regulating the usage of compensatory time off:

### **9.1 Accrual**

No employee shall accrue more than 80 hours of Compensatory Time.

### **9.2 Time Used for Leave**

Compensatory Time may be used for leave subject to scheduling in accordance with Section 17 (Paid Leave) of this MCP.

### **9.3 Cash Out**

All Compensatory Time that is available to a non-exempt employee will be cashed out, at full value, and given to the employee in a pay period between November 15 and December 10. The Compensatory Time cash out will be paid out on a separate check. Under sole discretion of the City Manager, employees may carryover a maximum of 80 hours of Compensatory Time that would need to be used within 60 days. Requests to carry over Compensatory Time shall be made in writing to the Human Resources Department by November 1<sup>st</sup>.

## **Section 10: Shift Differential Pay**

Non-exempt employees are eligible to receive a 5% shift differential (above their appropriate rate of pay) for all hours worked on Sundays, holidays, as well as the hours worked between 10 p.m. and 6 a.m. Any overtime worked on Sundays, holidays and the hours between 10 p.m. and 6 a.m. will be based on the shift differential overtime rate.

Employees are eligible to receive a 5% split shift differential (above their appropriate rate of pay) for all hours worked in a day where their regular shift is split into segments with two hours or more between segments.

## **Section 11: Temporary Upgrade Assignment**

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 assignments require the employee to assume significant additional duties, which are outside the scope of the employee's regular assignment, it is appropriate to adjust the employee's salary to reflect the interim changes. An employee who is temporarily upgraded shall be subject to the FLSA designation (i.e. exempt vs. non-exempt) of the temporary upgrade position. Employees who are non-exempt, but assume an exempt Temporary Upgrade position shall accrue Administrative/Executive Leave on a pro-rated basis as consistent with the accrual assigned to the assumed Classification in the Management Compensation Plan. Temporary Upgrades shall be processed in accordance with the City Personnel Policy covering this necessity.

The difference between an employee's usual pay and temporary upgrade pay will only be reported to CalPERS as income to the extent permissible by law.

In the event an employee serves in a Temporary Upgrade Assignment for more than 1-year, the employee will be eligible for a review evaluating their performance in the temporary upgraded assignment. A compensation increase may be granted as a result of this review if the employee is not at the top step of the upgraded assignment salary range. Consistent with the temporary upgrade assignment, any compensation increase associated with an annual review will also expire upon completion of the temporary upgrade assignment.

## **Section 12: Out-of-Classification Pay**

Employees may be assigned to perform a portion of the duties of a position in a higher classification on a temporary basis. Such assignments shall be termed "out of classification" or "out-of-class" work. Out-of-class work is only subject to out-of-class compensation when the employee is assigned by Employee's Department Head, or by such person designated by Department Head, to perform work of a higher job classification. A vacancy is not required to qualify for out-of-class pay.

It is understood that, from time to time, a Department Director may assign a temporary project or task to an employee which requires a higher level of responsibility, knowledge, skills, and/or abilities than is outlined in his/her current Classification Specification. It is recognized that the infrequent assigning of such project or tasks is meant to be non-habitual and does not constitute out of classification work subject to reclassification studies as outlined in Section 31.2.

### **12.1 Compensation**

City agrees to compensate Employees, at that certain step in the salary range of the higher classification which generates an increase above the employee's current salary of not less than five percent (5%).

Employee shall be compensated on an hour-for-hour basis for out-of-class work for each instance where out-of-class work is assigned.

### **12.2 Length of Out-of-Class Assignment**

Employees shall not remain in out-of-class pay for more than 180 cumulative calendar days per assignment.

### **12.3 Voluntary Out-of-Class Work Exclusion**

It is understood that in an effort to assist Employees in obtaining experience or training for future promotional opportunities, Employees may from time to time volunteer to perform the duties of a higher job classification. Such voluntary performance on the part of employees shall not be eligible for compensation as out-of-class pay.

### **12.4 Submission of Out-of-Class Work**

Out-of-classification work must be reported on the timesheet that corresponds with the pay period it was worked. Under no circumstances shall compensation for out-of-classification work be issued more than ninety (90) days retroactively, unless previously approved by the City Manager.

## **Section 13: Probationary Periods**

All appointments, excluding promotional appointments, shall be subject to a probationary period of not less than one year of employment in the position. An employee on their original probation shall receive an evaluation at three months, six months and nine months. The City can extend probation for a maximum of six months. Employees will successfully pass probation if no extension is implemented and if no evaluation is provided by the last day of the probationary period. Passing probation is also not contingent on an employee receiving a probationary evaluation on time.

### **13.1 Promotional and Transfer Probation**

Promotional and transfer probationary appointments shall be subject to a probationary period of not less than six months of employment in the position. During the probation period, the employee may be rejected at any time regardless of service without the right of a hearing or appeal. Any employee rejected during a promotional probation to which they have been promoted shall be reinstated to a position in the class from which they were promoted unless they were discharged for cause from the City.

## **Section 14: Eligibility for Merit Increases/Performance Evaluations**

Each probationary or regular employee will be considered for, but is not guaranteed, a merit adjustment annually at their regular or adjusted performance evaluation date. Merit adjustments may be denied, deferred for future consideration, or granted at .5, 1, or 1.5 step intervals, at the Department Director's discretion and subject to City Manager's approval. Annual Performance Evaluation meetings will be completed within 30 days of the employee's performance evaluation due date.

Regular and Promotional Probationary employees are eligible for merit adjustments at or near the completion of their one year of continuous service in their current position and annually thereafter, provided that the employee is not a Y-Rated employee, has not changed positions, or is not at the maximum rate for their salary range.

Approved merit adjustments will be retro-active to the official evaluation due date.

### **14.1 Performance Evaluations**

The Management Evaluation System (MES) will be used for the employees covered by this MCP. The MES will be utilized in evaluating an employee's performance, setting goals and objectives and recommending adjustments to annual compensation. The MES will utilize five ratings for each evaluation criteria: Outstanding, Commendable, Typically Meets, Improvement Needed, and Unsatisfactory. Newly hired Management employees will be evaluated at the completion of three, six, nine, and 12 months, and annually thereafter.

## **14.2 Overdue Evaluations**

Human Resources and Supervisory staff will work cooperatively to ensure the timely presentation of annual evaluations. At 60 days past the official evaluation due date, the Director of Human Resources will meet with the appropriate Department Director, of the affected employee, at which time a date will be determined to give the evaluation. If an annual evaluation becomes 90 days overdue, an automatic step increase will be given (if applicable).

## **Section 15: Tuition Reimbursement**

When an employee is ready to enroll in classes that they would like to receive tuition reimbursement for, they must first submit a tuition reimbursement pre-approval form to their supervisor. If approved, the supervisor, in turn, would submit the pre-approval form to Human Resources for consideration. As a condition of being reimbursed, the employee agrees to continue employment with the City for one year past the date of the receipt of the reimbursement. If the employee leaves the City, the amount of the reimbursement will be due to the City. Reimbursement is limited to no more than \$1,200 for training or educational expenses in any one fiscal year. Additional funds may be approved on appeal to the City Manager.

### **15.1 Required Educational or Training Courses**

Any educational or training course that is a requirement for continuation of employment or is an identified part of a job evaluation shall be paid for by the City. Any other educational or training course that is job related shall, if prior approval for reimbursement is given by the City Manager or a designee, be reimbursed 100% after successful completion. All college or other graded classes shall require a minimum grade of a "C" in order to receive such reimbursement. Books or other materials shall only be paid for if some defined benefit can be shown to the City (i.e. books become part of the City reference library). Once the employee has received their official course grade, they then attach appropriate receipts and proof of grades to the City's Tuition Reimbursement form, complete the employee portion, have their Supervisor/Department Director complete their portion and submit the completed packet to Human Resources. Once reviewed and approved by Human Resources, the approved packet is submitted to the Department of Finance for processing. The employee will receive their approved tuition reimbursement amount on the next payroll cycle.

### **15.2 Training Time**

In general, training time during working hours shall be considered part of the job. Non-mandatory training after hours shall be considered voluntary, and no additional pay, overtime or compensatory time shall be given by the City, unless advanced special written approval is granted. Study time shall be considered completely voluntary.

### **15.3 Reimbursement**

Although the City applauds employees for their efforts in pursuit of additional education, the City shall not pay for educational degrees or for education in general, but will only reimburse employees for required or job-related classes and training. No

reimbursement shall occur if an educational class does not provide a benefit to the City. The only exception to this is, the City will reimburse employees for three general education classes, as long as the classes are a part of a degree or certificate program. These three classes must be approved, in advance, as required by this policy. There is no mileage reimbursement for travel to and from educational classes. Required forms must be completed and necessary documentation (receipts and grades) must be provided, in order to receive reimbursement. Final and conclusive determinations of the reimbursement amount shall be made by the City Manager after review of the request and recommendations by the Department Director and the Director of Human Resources/Risk Management.

## **Section 16: Employee Computer Purchase Program**

This program allows regular employees to borrow, at no interest, up to \$2,000 to purchase a personal computer, iPad and/or similar “computer tablet” devices, and related accessories with a loan repayment plan of up to 24 months. An employee must show proof of payment (i.e. not simply proof of order), and may only have one loan outstanding under this program at any time.

To qualify for the program, employees must be a regular employee, and have successfully passed their initial probationary period.

This program will be administered pursuant to the City’s Employee Computer Purchase Program Policy.

In the event of termination of employment for any reason, the entire unpaid balance shall immediately be due and payable, without notice. Any remaining unpaid balance shall first be deducted from the final paycheck to the extent allowed by law. In the event the final paycheck is not sufficient to pay off the principal sum, then any resultant balance must be paid, in full, with other resources of the borrower.

## **Section 17: Paid Leave**

The City recognizes that there are various reasons for an employee to be away from the workplace. The following subsections describe the types of leave that may be utilized.

### **17.1 Comprehensive Annual Leave**

Comprehensive Annual Leave (CAL) is to ensure that all employees have an adequate amount of time off each year for rest and relaxation, personal business or personal/family illness. Regular employees earn Comprehensive Annual Leave (CAL) from the date of hire.

Employees who are paid for less than 80 hours in a pay period will earn Comprehensive Annual Leave credits on a pro-rated basis for that pay period.

Employees covered by this plan will earn CAL from the date of hire by the following accrual rates:

<b>Annual Increment</b>	<b>Annual Leave (hours)</b>	<b>Biweekly Accrual Rate (hours/pay period)</b>	<b>Maximum Accumulation (hours)</b>
Hire Date	177	6.808	354
2-4 Years	193	7.423	386
4-6 Years	233	8.962	466
6-8 Years	249	9.577	498
8-10 Years	265	10.192	530
10+ Years	289	11.115	578
15+ Years	289	11.115	658

Annual leave will be earned on a prorated rate each pay period.

The maximum balance of unused CAL an employee may have at any one time is two times the employee's annual accrual. Employees with 15 or more years of service may accrue up to a maximum of two times the employee's annual accrual, plus 80 hours. The City Manager may grant an employee, on a case by case basis, the ability to accrue annual leave above the annual accrual limit for good cause shown.

The administration of Comprehensive Annual Leave shall be pursuant to the City's Administrative Guideline.

## **17.2 CAL Donations**

An employee may request the use of CAL donations in extraordinary situations or if in the event of a medical hardship to the employee or an immediate family member of the employee. Refer to Section 17.5, Bereavement Leave, for definition of family member. A "medical hardship" is defined as a serious medical condition that would require the prolonged absence of the employee from duty and would result in a substantial loss of income to the employee because the employee would have and would be required to exhaust all of their available paid leave. Upon approval from the City Manager, or designee, the employee may use up to a maximum of 160 hours of donated CAL per fiscal year. The City reserves the right to request a physician's verification of the medical condition. In addition, the application of this section is independent of any federal or state mandated protected leave (e.g., FMLA, CFRA, PDL, etc.). Employees may donate a maximum of 16 hours each time CAL donations are requested, however full-time employees must have 120 hours remaining and part time employees must have a proration of 120 hours based on their full-time equivalent allocation on the Schedule of Authorized Positions remaining in their CAL bank after the donation. The City will pool all hours that are donated and employees, who are eligible and approved to use donated CAL hours will receive donations from the pool.

## **17.3 Executive and Administrative Leave**

All Executive Management employees covered by this MCP will be provided with a total of 80 hours of Executive Leave per fiscal year. All other Management employees

covered by this MCP will be provided with a total of 60 hours of Administrative Leave per fiscal year. Confidential employees are not entitled to Executive or Administrative Leave as that group is eligible to receive overtime pay.

Executive and Administrative leave will be provided at the beginning of each fiscal year and must be taken during the fiscal year that it is acquired. If this leave is not taken during the year it is acquired, it will be cashed out with the CAL cash out pay period in June.

The City Manager may approve up to an additional 40 hours of Executive Leave per year where the employee has provided exceptional service. Upon the recommendation of the employee's Department Director, the City Manager may approve up to an additional 40 hours of Administrative Leave per year where the employee has provided exceptional service.

#### **17.4 CAL/Executive/Administrative Leave Time Cash Out**

Employees covered by this MCP may cash out up to 120 hours of CAL per fiscal year to be taken as taxable wages or deposited into a pre- or post-tax 457 account, provided a balance of 120 CAL hours is available after the cash out.

CAL may be cashed out twice a year, once near the beginning of December and once in June. The CAL cash out pay periods will be determined by the City's Finance Department. The City Manager in his/her sole discretion may allow an employee to cash out CAL time outside of the pay periods determined by the City's Finance Department if the employee is faced with a financial emergency; however, the employee is still only allowed two cash outs per fiscal year as outlined in this section.

Upon separation from employment from the City, an employee shall be entitled to cash out their remaining Comprehensive Annual Leave balance at their regular, non-overtime rate of pay. An employee may run out their remaining Comprehensive Annual Leave balance in lieu of a cash out (i.e. terminal leave) if the employee provides a minimum notice of 45 calendar days before the terminal leave commences. In cases with extraordinary circumstances, terminal leave requested with less than 45 calendar days' notice is subject to approval by the City Manager at his/her sole discretion. In all instances, written notice of separation from employment shall: 1) include the final date of employment; 2) be final and irrevocable; and, 3) may be accepted by the employee's supervisor, manager, director, or anyone in the Human Resources Department

Executive Leave and Administrative Leave may be cashed out twice a year to be taken as taxable wages or deposited into a pre- or post-tax 457 account, once near the beginning of December and once in June. The Executive/Administrative Leave cash out pay periods will be determined by the City's Finance Department. The City Manager in his/her sole discretion may allow an employee to cash out Executive Leave or Administrative Leave outside of the pay periods determined by the City's Finance Department if the employee is faced with a financial emergency; however, the employee is still only allowed two cash outs per fiscal year as outlined in this section. Any Executive or Administrative Leave not used during the fiscal year in which it was acquired will be cashed out and included with any CAL cash out in June of each year.

## **17.5 Bereavement Leave**

The City recognizes the importance of providing employees time off to mourn and take care of any details relating to the death of a member of their immediate family. Employees may receive a maximum of three business days for bereavement of an individual who is a member of the employee's immediate family or of other similar relation as determined by the City Manager. If an employee must travel more than 500 miles, one way, to attend a funeral, the employee is eligible for five business days of bereavement leave. Employees may also use CAL time in conjunction with bereavement leave.

For the purposes of this section, immediate family (including natural, step or in-laws) shall be defined as spouse, domestic partner, mother, father, sister, brother, daughter, son, grandchild, and grandparents.

Administration of Bereavement Leave shall be pursuant to the City's Administrative Guideline.

## **17.7 Jury Duty and Court Related Absences**

The City encourages employees to serve as jurors when called upon to do so. When an employee serves on jury duty or is called to testify on a case involving official City business, the employee receives full pay from the City. Employees are not required to submit any compensation received from the court for serving as a juror to the City.

If an employee needs to appear in court regarding a personal situation or is summoned to report to court for a civil or criminal case that does not involve official City business then the employee is required to utilize available CAL or other types of leave.

Administration of Jury Duty and Court Related Absences shall be pursuant the Administrative Guideline.

## **17.8 Military Leave**

The City recognizes the importance of allowing employees time off to serve in the U.S. Armed Forces. Military Leave shall be granted in accordance with the provisions of state and federal law, thereby allowing employees to take time necessary for the defense of our Country.

An employee who is a member of the National Guard or of a reserve component of the U.S. Armed Forces shall, upon furnishing a copy of the official orders or instructions, be granted a military training leave. Training leaves will not, except in an emergency, or in the event of extenuating circumstances, exceed two weeks per year, plus reasonable travel time. Upon presentation of a military pay voucher or endorsed orders, employees will receive full pay for up to 30 calendar days within one fiscal year. If the leave is greater than 30 days, then the employee may utilize accrued CAL or other types of leave available to the employee.

Consistent with the City of Temecula City Council Resolution 90-067, if the employee is placed on active duty with appropriate documentation; the City will pay the difference

between the City employee's salary and the employee's military pay for the entire duration of active duty. Compensation received is not reportable to CalPERS.

The City is required by law, to return the employee to the same classification upon the employee's return to City service.

Administration of Military Leave shall be pursuant to the City's Administrative Guideline.

## **17.9 Alternative Parental Leave**

The City shall provide six weeks of paid leave to employees for the purpose of bonding with a child in connection with the surrogate birth, adoption or foster care placement of that child. The child may be from a surrogate or non-surrogate parent or agency. The six weeks shall be paid at the rate of 2/3 of the employee's current base salary, and no other benefits shall be enhanced or reduced as a result of using this leave. Employees may use other accrued paid leave (e.g., CAL time) to supplement their pay up to 100% of their current base salary in conjunction with this leave. The six weeks of leave need not be used consecutively; however, it is limited to the first year after the birth, adoption, or foster care placement of the child. Supporting documentation will be required. Alternative Parental Leave is intended to provide paid leave to parents similar to that afforded to new mothers eligible for disability leave, so Alternative Parental Leave may not be used in combination with disability leave connected with giving birth to a child.

## **Section 18: Leave of Absence**

To the extent not already provided for under current leave policies and provisions, the City will provide family and medical care leave for eligible employees as required by state and federal law. Further, employees shall be reasonably accommodated for any disability protected by law (e.g., Americans with Disability Act or "ADA") if the employee requests such accommodation. Administration of protected leaves shall be pursuant to the City Administrative Guidelines.

### **18.1 Pregnancy Disability Leave**

A pregnant employee shall be entitled to a leave of absence without pay for up to four months so long as the employee's attending physician certifies that she is physically unable to work due to pregnancy, childbirth or related medical condition. During said leave of absence without pay, the employee has the option of using CAL time. In addition, employees who are out on Pregnancy Leave will also be placed on FMLA. Their Pregnancy and FMLA Leaves will run concurrently.

Upon expiration of the approved leave, the employee shall be reinstated to her former position or to a comparable one if the former position is abolished during the period of leave and the employee would otherwise not have been laid off. The comparable position is one having similar terms of pay, location, job content and promotional opportunities. Prior to the employee being reinstated, the Department Director may require a statement from the attending physician that the employee is physically capable of resuming the regular duties of her position. Failure to return to work after the authorized four month leave period causes the employee to have no reinstatement

rights. An employee who plans to take such a leave should give reasonable notice of the date the leave shall commence and the estimated duration of the leave.

## **Section 19: Leaves of Absence Without Pay**

Leave of Absence without Pay is to be used for the purpose of unforeseen circumstances related to FMLA, CFRA or pregnancy leaves or other situations where leave is requested by the employee. In all cases, Leaves without Pay must be approved by the City Manager or designee, and do not continue accrual of benefits. Employees should refer to Human Resources for specific details.

Administration of Leaves of Absence Without Pay shall be pursuant the Administrative Guidelines

## **Section 20: Health and Wellness Benefits**

The City shall provide each regular employee with a Health Flex Contribution of \$400 per month. This allotment is intended to bring the City into compliance with the U.S. Patient Protection and Affordable Care Act (“ACA”). The Health Flex Contribution may only be used toward City-sponsored health, dental, and vision insurance premiums, or deposited into a health flexible spending account as permitted by IRS laws. Any unused portion of the \$400 allotment shall be forfeited by the employee (i.e. this is a “use it or lose it” benefit).

The City shall also provide each employee with a Cafeteria Contribution of \$1,200 per month for full-time employees and pro-rated based on full-time equivalency for part-time employees. Consistent with past practice, this payment includes the PERS statutory minimum payment for each calendar year of this Agreement for both active employees and annuitants (retirees). The Cafeteria Contribution must be applied to all mandatory benefits as determined by the City. The first day of the month following the date of hire, an employee shall be covered under mandatory benefits as set forth in the contract between the City and the carrier(s). The employee can then apply the remainder of the Cafeteria Contribution to optional benefits provided by the City, including: health insurance premiums, dental insurance premiums, vision insurance premiums, additional life insurance premiums, flexible spending accounts, and other supplemental insurance premiums. Any unused portion of the \$1,200 allotment may be deposited into a deferred compensation account, or taken as taxable income.

The City will discuss any state or federally mandated changes in benefits that occur following adoption of this MCP. The City agrees to include two MCP covered employees as part of the formal Benefit Committee that meets to discuss annual changes in any health and welfare benefit proposal for the next plan year. The benefit committee will meet prior to the start of the open enrollment period to educate employees on benefits provided during the upcoming plan year.

### **20.1 Health Coverage**

While this MCP is in effect, the City will continue offering the PERS Health Plan. An employee seeking to opt out of City-sponsored medical insurance must provide documented evidence of minimum essential health coverage pursuant to the ACA, which must cover both the employee and all individuals in the employee’s expected tax family, if any. Each year, during open enrollment or as otherwise required by the City, the

employee must provide the City with an attestation or other reasonable documentation, subject to the City's approval confirming such alternate coverage. According to the ACA, the City must not make payment if the City knows that the employee or family member does not have the alternative coverage.

The City will meet with the Benefit Committee to discuss any changes in the City's Health Plan prior to open enrollment.

## **20.2 Dental Coverage**

While this MCP is in effect, the City will continue to offer dental coverage to employees covered by the MCP. The City will meet with the Benefit Committee prior to selection of the dental plan for a respective Plan Year.

## **20.3 Vision Coverage**

While this MCP is in effect, the City will continue to offer vision coverage to employees covered by the MCP. The City will meet with the Benefit Committee prior to selection of the vision care plan for a respective Plan Year.

## **20.4 Disability Insurance**

The City mandates enrollment in short-term (STD) and long-term disability insurance to employees covered by this MCP. The City will meet with the Benefit Committee prior to selection of short-term and long-term disability insurance. The STD disability insurance elimination period of 0 - 7 calendar days for accident/in-patient hospitalization; and the STD disability insurance elimination period of 7 -14 calendar days for illness and outpatient procedures shall be the basis for the available coverage. Employees should refer to Human Resources regarding specific details on short term and long term disability coverage.

## **20.5 Flexible Spending Account**

While this MCP is in effect and as long as lawfully permitted, the City will continue to offer a Flexible Spending Account in accordance with applicable IRS statutes in order to provide employees the greatest possible tax benefit.

Included in the Flexible Benefits Program are reimbursement accounts for eligible healthcare expenses and eligible child/dependent care expenses.

## **20.6 Retiree Medical, Dental and Vision Premium Reimbursement**

The City will provide medical, dental and vision benefits, for eligible employees and their spouse, upon retirement from the City of Temecula, as follows:

- A. Employee must meet all of the following criteria in order to qualify for the Retiree Medical, Dental and Vision Premium Reimbursement benefit:
  - 1. Must have been hired on or before June 30, 2005 in a regular, authorized position;

2. must have, upon retirement, completed a minimum of 12 years of cumulative service to the City of Temecula in a regular, authorized position status;
3. must have retired from the City of Temecula on or after July 1, 2003 in accordance with CalPERS standards; and,
4. must have been continuously employed in a regular, authorized position from July 1, 2005 until his or her retirement from the City of Temecula.

Part-time, regular, benefited employees shall also be eligible provided that total service in Temecula, as defined by PERS, meets the required minimum for this benefit and if they meet the other criteria set forth in this article.

If a retired Temecula employee reinstates to a regular benefited position with any California PERS Agency, including the City of Temecula, this benefit will be discontinued and will not be reinstated.

- B. Retirement from the City of Temecula shall be defined as a PERS service or industrial disability retirement, and employee must be eligible for such retirement at the time of or within 120 days of separation from City service. The date of eligibility shall be the employee's official CalPERS retirement date.
- C. Employees who have retired prior to the effective date of this MCP will be eligible for this benefit in accordance with the terms of the agreement at time of retirement.
- D. Eligible City of Temecula employees (as defined above), who retire during the term of this MCP will be eligible for a reimbursement, for monthly premiums (not including co-payments, prescriptions, and other non-premium expenses) purchased and paid for by them, of up to the current monthly cafeteria plan allotment, for continued medical, dental and vision coverage as provided for in sections 20.1, 20.2 and 20.3 of this MCP. This payment will begin within 30 days of the employees' PERS retirement, and upon written notice from the employee and verification of current payment amounts and will continue through the term of this agreement.
- E. The amount of actual payment will be based on proof of continued medical, dental or vision insurance and verification of the payment amount. Be advised – the PERS medical premium on a PERS retiree's check is the premium amount AFTER the City of Temecula's mandatory employer contribution has been deducted. Therefore, the net amount reimbursed will be based on the mandatory employer contribution rate, established by PERS annually, that is deducted. In addition, the maximum amount of payment will include any mandatory medical payments made by the City. If employee moves from PERS service area, and coverage under the City's medical, dental, and/or vision plans is not available, employee may request that an alternate medical, dental, and/or vision plans be approved by the City, if allowed by law. Coverage is limited to employee, and if applicable, to spouse. The medical, dental, and/or vision insurance benefits will continue for eligible employees, even after the employee qualifies for Medicare coverage. Medicare supplemental coverage and related premiums will be set in accordance with CalPERS benefit standards.

The existing Dental and Vision benefit plans only allow continuation of coverage for retirees for 18 months, after retirement. Following this time period, it is the retiree's responsibility to enroll in dental and vision coverage of their choice. In order to receive reimbursement (not to exceed

the monthly allotment), the retiree needs to submit proof of coverage annually to the City's Director of Human Resources.

For all coverages which are outside the PERS medical plan service area, eligible retired employees, or their authorized legal representative, must submit, to the City's Human Resources Department, proof of coverage and the premium amount for the upcoming year within 30 days of the first payment. If proof of coverage is not received within said 30 days, payments will not be made until the proof of coverage is received for that year. Retroactive payments will not be made if the employee fails to submit this information on a timely basis. It is the responsibility of the retired employee to notify the Director of Human Resources of any changes in premium amounts or change in status.

This benefit will discontinue upon the death of the retired City employee.

### **Section 21: Life Insurance**

The first day of the month following the date of hire, and upon proper application and acceptance by the insurance carrier, an employee will be covered under a group life insurance plan for the amount of \$50,000, with the premium being deducted from the employee's City cafeteria plan allotment amount. For employees covered by this MCP, an additional \$100,000 of group life insurance coverage will also be provided with the additional cost for said coverage being paid for by the City of Temecula.

Dependent Life Insurance and Voluntary Life Insurance is available to employees requesting additional coverage. This coverage is available outside of the City's Section 125 Cafeteria Plan and is purchased directly by the employee with no cost to the City.

### **Section 22: Retirement**

The City has established a multi-tiered retirement benefit. Employees who are not eligible to participate in PERS will be able to participate in an alternate City approved retirement plan, as allowable by law. The City's contribution to an alternate retirement plan would be limited to the same cost as provided by the City to PERS.

#### **Tier 3**

Pursuant to the Public Employment Pension Reform Act of 2013, (also known as "PEPRA", Assembly Bill 340), those who first become employed by the City on or after January 1, 2013, and who are "new members" as that term is defined in PEPRA, shall be subject to a third tier Public Employees Retirement System (PERS) formula of 2% @ age 62, and a benefit based on the highest 36 months of employment. New members shall pay their entire PERS member contribution by payroll deduction at a rate set by PERS at 50% of normal cost as that term is defined in PEPRA. New members shall also be subject to all other applicable provisions of PEPRA. This retirement formula shall be known as Tier 3.

#### **Tier 2**

The City's second tier PERS retirement formula of 2% @ age 60 applies to employees hired on or after September 24, 2011, and up to and concluding December 31, 2012, as allowable by law. Tier two also applies to those hired at any time after September 24, 2011, who had prior

membership in PERS or in another retirement system that has reciprocity with PERS, as determined by CalPERS. Highlights include the following:

- A three-year final compensation
- Annual 2% COLA
- Post-Retirement Survivor Allowance
- Fourth Level of 1959 Survivor's Benefit
- Military Service Credit as Public Service

#### **Tier 1**

The City's first tier PERS retirement formula of 2.7% @ age 55 applies to employees hired prior to September 24, 2011 as allowable by law. Highlights include the following:

- One-year final compensation
- Annual 2% COLA
- Post-Retirement Survivor Allowance
- Fourth Level of 1959 Survivor's Benefit
- Military Service Credit as Public Service.

For retirement tiers 1 and 2, employees shall pay 3% of the PERS employer contribution. The City shall pay the Member Contribution (EPMC), required by the Public Employee's Retirement System to maintain the current level of benefits for employees covered by this MCP. Employees covered by this MCP will be eligible for the City reporting the value of the Employer Paid Member Contribution as Special Compensation to PERS. The City will pay the cost of this Special Compensation benefit, the "PERS on PERS" cost. This provision shall not be effective unless and until the City completes all applicable approvals and process required by law.

Regular City employees are not covered under Social Security (Medicare only).

Survivor Benefits: The City of Temecula's PERS 1959 Survivor Benefit coverage (Government Code section 21574) is a higher level of cash benefit paid to survivors of an employee who dies prior to retirement. The City provides Level 4 of PERS' Survivor Benefit.

### **Section 23: Deferred Compensation**

The City will provide for a Deferred Compensation Plan which may be utilized by any employee on an optional basis. The City reserves the right to accept or reject any particular plan and to impose specific conditions upon the use of any plan. Such plan shall be implemented without cost to the City.

### **Section 24: Alcohol and Drug Policy**

It is the policy of the City to have a work environment free from the effects of drugs and alcohol. To accomplish this objective, employees covered by this MCP agree to abide by the City of Temecula Alcohol and Drug Policy while this MCP is in effect.

## **Section 25: Uniform Allowance and Boot Reimbursement**

Employees covered by this MCP that are responsible for field operations and that are routinely working in the field are eligible for an annual clothing allowance of \$125. This allowance is intended to cover the cost of replacing clothes subject to abnormal wear and tear due to field hazards.

In the event an employee covered by this MCP is required to wear safety boots or shoes the employee will be eligible for an annual boot allowance of \$175.

## **Section 26: Reasonable Accommodation of Employees with Disabilities**

Because the Americans with Disabilities Act (ADA) and the Fair Employment and Housing Act (FEHA) requires reasonable accommodations for individuals protected under the Act(s), and because these reasonable accommodations must be determined on an individual case-by-case basis, the provisions of this MCP may be disregarded in order for the City to avoid discrimination relative to hiring, promotions, granting permanency, transfer, layoff, reassignment, termination, rehire, rates of pay, job and duty classification, seniority, leave, fringe benefits, training opportunities, hours of work, or other terms and privileges of employment.

The City has the legal obligation to meet with the individual employee to be reasonably accommodated before any adjustment is made in working conditions.

Any reasonable accommodation provided to an individual protected by the Act(s) shall not establish a past practice, nor shall it be cited or used as evidence of a past practice.

## **Section 27: Discipline**

It is the City's belief that rules of conduct are most effective when they are written and communicated to employees and supervisors, consistently enforced, and the difference between major and minor forms of misconduct recognized. The City's goal is to administer discipline on an equitable and corrective basis. Effective discipline reinforces training by identifying rules and their reasons, correcting misconduct or improving job performance, serving as a deterrent through enforcement, and penalizing in relation to the severity of the offense and the employee's past record.

All Disciplinary actions shall be pursuant to the City's Discipline Policy.

## **Section 28: Classifications Covered under this Plan**

All authorized positions not represented by the Teamsters 911 are eligible for the benefits outlined in this MCP unless otherwise specified.

## **Section 29: Reclassifications**

### **29.1 Reclassification Implementation**

Employees shall be placed into his/her new position's salary range at the salary step in the range closest to his/her current salary without going under, or to the first step in the range of the reclassification, whichever is greater.

Employees whose current salary range is higher than their recommended classification's salary range shall retain their current salary range as a "y-rated" salary range. Y-rated salary ranges are not subject to cost of living increases; however, if the unmodified salary range for an employee's classification exceeds that of their y-rated classification's salary range due to a cost of living increase, the employee shall be placed in their classification's unmodified salary range at the salary step in the range closest to his/her current salary without going under.

Employees shall not serve a probationary period as a result of being reclassified, and shall retain his/her performance evaluation date and merit increase eligibility prior to being reclassified.

## **29.2 Reclassification Studies**

If any employee covered by this MCP believes they are working out of classification, he/she is entitled to request a reclassification study to be conducted by the Human Resources Department. This request must be made by October 1st so the process can be completed in time for the mid-year budget or annual budget as determined by the City. Only employees whose work has fundamentally changed due to a department reorganization, changes to staffing levels, introduction of new programs or services, and/or re-allocations of work and internal reporting relationships may be considered for reclassification.

## **29.3 Reclassification Request Process**

Employees must make a request for a reclassification study in writing to the Human Resources Department to initiate the process. The employee will then be required to complete a Position Description Questionnaire (PDQ). If the PDQ demonstrates that the employee's work has fundamentally changed due to a department reorganization, changes to staffing levels, introduction of new programs or services, and/or re-allocations of work and internal reporting relationships, then the employee will be referred to an independent consultant who can objectively complete the reclassification study. The independent consultant shall determine the methodology used to conduct the reclassification study. The results of the study will be shared with the subject employee by May 1st of the following calendar year, and the results are not appealable.