UNREPRESENTED COMPENSATION PROGRAM

July 1, 2013 – June 30, 2016

CITY OF AMERICAN CANYON
UNREPRESENTED EMPLOYEE COMPENSATION PROGRAM

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SECTION 1: INTRODUCTION

1.1 Employee Definitions:

At-Will Management Employee – an employee who serves at the will of the City Manager and who has responsibility for formulating, administering, and/or managing City policies and programs. In the City, this would typically be department heads and their assistants/deputies.

Confidential Employee – an employee, who in the course of his or her duties, has access to confidential information relating to the City's administration of employer-employee relations. This access may include instances of an occasional but critical nature or due to the employee whose position requires the incumbent to provide direct administrative support to a manager who has such access.

Seasonal/Temporary Employee – an employee who is employed for a temporary duration, or to a limited, but specified period of time for training purposes. Assignments may be to specified programs that may continue from year-to-year or as part of a training program for a limited duration. Except for classes that have been identified as part of a special training/apprentice program lasting more than six months, Seasonal/Temporary employees are not eligible for City benefits.

1.2 Purpose of the Unrepresented Employee Compensation Program: For At-will Management employees, this resolution is adopted to promote the development of a stronger, more effective Management Team, not merely for purposes of employer-employee relations but also as a means of recognizing outstanding management performance in all public service areas. These general purposes may be achieved through several means, notably: training, more effective communication among departments, clear identification of goals and objectives, and by relating effective job performance to an incentive program. Also inherent in such a program is the means of retaining good department heads and strengthening the managers (if any) whose effectiveness and performances fall short of reasonable levels of expectation.

For Confidential and Seasonal/Temporary employees, this resolution recognizes and rewards performance and ensures that employees who are not represented by a union are treated at least equally to represented employees. Because of the nature of their jobs, these employees serve the City without any representation and should not suffer as a consequence.

1.3 Employees Covered: Employees covered under this program shall include the following:

A. At-Will Management

- City Manager
- Administrative Services Director
- Community Development Director
- Deputy Public Works Director - Utilities
- Parks and Recreation Director
- Public Works Director

B. Confidential

- Accounting Technician in Payroll
- Administrative Assistant to the City Manager
- City Clerk
- Finance Manager
- Human Resources Assistant
- Management Analyst I/II

C. Seasonal/Temporary

- Bus Driver
- Cashier
- Lifeguard
- Office Assistant
- Plant Operator Apprentice
- Program Coordinator
- Recreation Leader
- Senior Lifeguard
- Senior Recreation Leader
- Service Worker
- Student Intern

Additional job classes may be added to the Unrepresented Program from time to time, based upon the creation of additional City departments/divisions, the addition of new positions, or by the reclassification of existing positions to either At-will Management, Confidential, or Seasonal/Temporary based upon the nature of the work.

1.4 Exempt Status of Employees Covered: Based upon the nature of the work, it is expressly understood that the At-will Management employees covered under this program are exempt from the overtime provisions of the Federal Fair Labor Standards Act. Other positions within Confidential and Seasonal/Temporary employee groups are evaluated for FLSA coverage on a position-by-position basis.

SECTION 2: EMPLOYMENT CONTRACTS

The Management employees as designated in Section 1.3(A) shall be "At Will" employees, and shall enter into an employment contract, confirming the "At Will" status of the employee and setting forth any special pay or benefits such as severance pay. Employment contracts with all At-will Management employees will be approved by the City Manager, or, in the case of the City Manager's employment contract, approved by the Council, pursuant to the terms of Resolution No. 97-10, authorizing the City Manager to execute employment contracts with At-will Management employees. Where there are conflicting terms and conditions between this resolution and an employment contract, the greater benefit shall apply.

The provisions of this section notwithstanding, the City Council must consent to the appointment of the Planning Director, consistent with the American Canyon Municipal Code,

section 2.08.060(c).

SECTION 3: EMPLOYEE SALARY COMPENSATION

3.1 Wage Increases: At-Will Management and Confidential employees will receive wage increases as follows: Effective the first full pay period following January 1, 2015 - 0.5% increase: effective the first full pay period following July 1, 2015 – 0.5% increase; and, effective the first full pay period following January 1, 2016 – 0.5% increase.

3.2 Salary Schedule: The salary ranges for the three Unrepresented Employee groups are attached to this Program, and made a part hereof by reference.

3.3 Merit Adjustments: Typically, merit adjustments may be made by the City Manager upon recommendation of the direct supervisor and department head according to established City policy based on the employee's performance. Performance reviews with the potential for merit increases will occur no less frequently than annually on an employee's anniversary date. Additional merit increases may be approved by the City Manager for documented exceptional performance. Merit adjustments for At-Will employees will be restored during the term of this Resolution as funding is provided in the budget.

3.4 Longevity: Employees covered by this Resolution who are covered by the Fair Labor Standards Act (non-exempt FLSA) and, therefore, receive compensation for overtime hours worked shall receive longevity pay in the following increments:

After the completion of 10 years $100.00 per month
After the completion of 15 years $150.00 per month
After the completion of 20 years $200.00 per month
After the completion of 25 years $250.00 per month

3.5 Recruitment/Retention Adjustments: On occasion, situations may occur when adjustments may be necessary to At-will salary ranges for documented recruitment or retention problems. The City Manager is authorized to adjust the salary range of an At-will management position up to 10% without Council approval if one of the following conditions is met:

Recruitment Problem – If the City makes an extensive effort to recruit qualified candidates including outreach, advertising, and procuring the services of an executive recruiter and that recruitment is not successful based upon the City's compensation package, then the City Manager can authorize an adjustment to the salary to attract qualified candidates.

Retention Problem – In rare cases, it may be necessary for the City to increase an At-will manager's pay for retention purposes. This would require that the manager have a bona fide offer, in writing, from another organization with a significant increase in pay.

3.6 Confidential Pay Differential: Each Unrepresented Confidential employee will receive a 3% pay differential to be added to the employee's base pay. This 3% pay differential will not be added to the salary range for that job class. If at any time that a currently designated Unrepresented Confidential employee who receives the confidential differential is deemed to be Non-Confidential, the 3% confidential differential will cease at that time.

SECTION 4: RETIREMENT BENEFITS

The following benefits do not apply to the Seasonal/Temporary employee group.

The City shall provide the Public Employees Retirement System's (PERS) 2%@55 formula (single highest year) Retirement Plan for "classic" Local Miscellaneous Members; 2% @ 62 formula (3-year average final compensation) for new PERS members. Additional benefits may be added from time to time, as approved by the City Council. The City will only pay for the employer's share of PERS. The retirement benefits shall also include Sick Leave Conversion, Single Highest Year, Pre-retirement Survivor Benefits, and Post-retirement Survivor Allowance.

SECTION 5: INSURANCE BENEFITS

The following benefits do not apply to the Seasonal/Temporary employee group.

***5.1 Health Premiums and Health In-Lieu*:** Effective January 1, *2014*, the City's contributions for health insurance will increase by 5% which is the same level increase that represented employees will receive. For unrepresented employees who do not participate in the City's health benefit plans, the health in-lieu amount is $400 per month.

Effective January 1, 2014, the City shall provide the following amounts towards medical insurance for employees enrolled in CalPERS health coverage through the City:

Employee Only	$615
Employee plus One Dependent	$1,229
Family	$1,598

Effective January 1, 2015, the City shall contribute the following towards medical insurance for employees enrolled in CalPERS health coverage through the City:

Employee Only	$646
Employee plus One Dependent	$1,291
Family	$1,678

Effective January 1, 2016, the City shall contribute the following towards medical insurance for employees enrolled in CalPERS health coverage through the City:

Employee Only	$ 679
Employee plus One Dependent	$1,356
Family	$1,762

The employee shall be responsible for paying the difference between the City's contribution and the full cost of the medical premium for the plan selected by the employee.

B. Health-in-lieu for Employees Not Enrolled in CalPERS Health Coverage Through the City

(1) The City shall contribute $400 monthly when an employee provides sufficient evidence that he or she is covered by the medical insurance plan of their spouse or someone else. Health-in-lieu shall be paid as a monthly cash payment, subject to applicable withholdings and taxes.

(2) The City's obligation to make such health-in-lieu payments only applies to employees who are not covered by the CalPERS health coverage through the City and shall not commence until such time as an employee is no longer covered by the City's health insurance plan.

(3) It is the employee's responsibility to notify Human Resources when there has been a change in eligibility status for medical insurance coverage or for health-in-lieu. The City shall be entitled to verify the employee's eligibility at least annually.

5.2 Cafeteria Plan Payments: The City will contribute $315 per month on account for each At-will Management and $290 for each Confidential employee to be expended by the employee on benefits selected from the City's Benefits Program (mandatory participation - life, group long term disability, dental, employee assistance program; non-mandatory participation - vision) with any remaining cafeteria dollars to be received as a cash payment, subject to all applicable taxes and withholdings. This amount is the same amount as provided for last fiscal year.

SECTION 6: HOLIDAYS

All At-will Management and Confidential employees shall receive fifteen (15) paid holidays per year, as follows:

New Years' Day	-	January 1
Martin Luther Kings' Day	-	Third Monday in January
President's Day	-	Third Monday in February
Caesar Chavez Birthday	-	March 31
Memorial Day	-	Last Monday in May
Independence Day	-	July 4
Labor Day	-	First Monday in September
Columbus Day	-	Second Monday in October
Veteran's Day	-	November 11
Thanksgiving Day	-	Fourth Thursday in November
Day After Thanksgiving	-	Day After Thanksgiving Holiday
Christmas Eve	-	December 24
Christmas Day	-	December 25
Day After Christmas	-	First Workday following Christmas

Floating Holiday	-	Day selected by employee, subject to supervisor approval

It is the intent of this resolution that all full-time employees receive fifteen (15) paid holidays regardless of their assigned workweek. When a holiday falls on a Saturday, the proceeding Friday shall be deemed a holiday. When a holiday falls on a Sunday, the following Monday shall be deemed a holiday. When an employee is required to work on a holiday, he/she may select another day as holiday leave with pay during the fiscal year with the consent of the City Manager.

SECTION 7: VACATION LEAVE

7.1 Policy and Intent: In recognition of the fact that many management personnel are recruited from outside the City, that the average tenure for top management personnel is substantially lower that of nonexempt personnel, and that at least two (2) to seven (7) years' prior experience is required, the following vacation leave policy for At-will Management shall be implemented.

7.2 Vacation Entitlement: At-will Management and Confidential employees shall accumulate vacation in accordance with the following vacation entitlement schedule:

Years of Continuous Service	Vacation Days Earned/Year
0 – 2 years	12
3 through 5 years	15
6 through 10 years	20
11 or more years	25

7.3 Vacation Accrual: At-will Management and Confidential employees shall begin earning vacation upon the first day of employment. Vacation leave time shall be accrued as it is earned; odd fractions rounded to the nearest tenth. Vacation time shall not be taken until earned and shall be subject to other provisions of this resolution. When an employee is on a leave without pay status, s/he shall not be entitled to earn vacation.

For purposes of calculating vacation earned upon termination, the employee's final accrual will be prorated, based on the days worked in the employee's last month of employment. Upon termination of an employee's service with the City, s/he shall be paid a lump sum for all earned vacation not taken, at the employee's hourly rate then in effect.

7.4 Vacation Usage: An employee may take vacation at a time approved by the City Manager, or, in the case of the City Manager, after notification of the City Council. It is the policy of the City that employees take their normal provided vacation leave each year; however, with the approval of the City Manager, an employee may take less than a normal vacation in one year and carry the balance of his/her earned time over to the next year. The City will gradually reduce vacation accrual caps from the current 288 hours to 256 hours over

the 3-year term. Effective July 1, 2013, earned vacation may continue to be accumulated up to a maximum of two hundred and eighty-eight (288) hours. Effective July 1, 2014, earned vacation may be accumulated up to a maximum of two hundred and seventy-five (275) hours. Effective July 1, 2015, earned vacation may be accumulated up to a maximum of two hundred and sixty-five (265) hours. Effective June 30, 2016, earned vacation may be accumulated up to a maximum of two hundred and fifty-six (256) hours. Employees are encouraged to take time off, according to City policy.

7.5 Sale of Vacation or Management Leave Hours: Unrepresented non-exempt employees may elect to cash out vacation in December of each calendar year and payout will occur in January of the following calendar year. To be eligible for cash out, employees must have at least 235 hours of accrued but unused vacation. Cash out is limited to 40 hours of accrued unused vacation during any fiscal year at the straight time hours equivalency of the employee's current salary.

Unrepresented exempt Mid-Managers and At-Will employees may elect to cash out up to sixty (60) hours of accrued but unused Management Leave each year at the employee's straight time hourly rate. The employee must file an irrevocable election identifying the specific amount of Management Leave he or she wishes to cash out during the month of December and payout will occur in January of the following calendar year. (amended 6/17/14)

SECTION 8: MANAGEMENT LEAVE

In recognition of the extra hours required to perform at the level of top At-will management, including attendance at numerous meetings outside normal working hours and the fact that employees who are exempt from FLSA are not compensated for overtime work, the following management leave policy shall be implemented:

Each FLSA-exempt, unrepresented employee may receive up to fifteen (15) days Management Leave annually at the discretion of the City Manager. Employees of this group will be able to accumulate a maximum of twenty (20) days of Management Leave in one fiscal year. On July 1 of each year, all hours in excess of 160 will be lost unless an extension of time is granted by the City Manager, who will grant such extensions in limited and extenuating circumstances. It is the responsibility of all employees receiving Management Leave to take their leave in a timely manner. However, upon separation from the City any remaining leave shall be paid to the employee at employee's then current hourly rate.

SECTION 9: OTHER LEAVES OF ABSENCE

9.1 Sick Leave

a. At-will Management and Confidential employees shall be entitled to one working day of sick leave with pay for each month or major fraction thereof.

b. Sick leave with pay up to the total number of working days accumulated shall be granted by the City Manager in case of bona fide illness or injury.

9.2 Family Care: Except as otherwise required by state or federal law, sick leave may be used to care for the employee's child, spouse, or domestic partner who is incapacitated by a serious health condition as defined by State of Federal Law. Sick leave utilized for Family Care shall not exceed forty-eight (48) hours per occurrence.

9.3 Bereavement Leave: For At-will Management and Confidential employees, leave with pay up to 4 days per year shall be granted by the City Manager in case of the death or serious illness of spouse or domestic partner regardless of gender, parent or step-parent, grand-parent, child, or stepchild, brother or sister, parent-in-law, brother/sister-in-law, son/daughter-in-law, or any relative in the immediate household of the employee. Bereavement or special sick leave shall not be charged against any accumulated leave. An additional 3 days of vacation, CTO, or management leave maybe used.

9.4 Industrial Accident Leave: The City shall provide paid leave and benefits consistent with the State's Worker's Compensation laws.

9.5 Miscellaneous Leave With Pay: At-will Management and Confidential employees shall be granted a leave of absence with full pay for jury duty; subpoena of the employee as a witness; or attendance in court resulting from the employee's official duties as assigned by the City Manager. Any compensation received by the employee for the above, except for travel reimbursement, shall be promptly remitted to the City by the employee.

9.6 Leave Pursuant to the Family and Medical Care Leave Act and the California Family Rights Act: Employees shall be entitled to take leave in response to the birth or adoption of a child, or the placement of a child with the employee for foster care; the employee's own serious health condition, or the serious health condition of the child, parent or spouse of the employee, as specified in the federal Family and Medical Care Leave Act (FMLA) and the California Family Rights Act (Government Code Section 12945.2). Employees may use their accrued leave balances during such leave.

If the period of leave exceeds the employer's accrued leave balances, the employee shall take the balance of the leave as unpaid leave.

9.7 Leave for Pregnancy, Childbirth and Related Medical Conditions (California Government Code Section 12945): In addition to leave authorized by Section 9.5.1, eligible employees may take leave based on pregnancy, childbirth, or related medical conditions pursuant to California Government Code Section 12945. Generally, this leave should not exceed six (6) weeks for a normal pregnancy, childbirth, or related conditions, but may be taken for a period of up to a total of four (4) months if the employee is disabled due to pregnancy, childbirth, or other medical conditions. The need for leave beyond six (6) weeks due to disability shall be verified in writing by the employee's physician. The employee may use accrued leave balances during leave taken pursuant to this Section. If the period of leave exceeds the employee's accrued leave balances, the balance of the leave shall be taken as unpaid leave.

9.8 Leave of Absence Without Pay: Upon the written request of any employee, the City Manager may approve in writing a leave of absence without pay for a period not exceeding three months; the Council may approve such leave for a period not exceeding one year. During such leave of absence, benefits will not be paid unless the employee elects to reimburse the City for the cost; sick leave, vacation, holiday benefits will not be accrued or paid.

9.9 Military Leave: An unrepresented employee called to active duty in any reserve component of the Armed Forces of the United States or the National Guard shall be granted a leave of absence for the duration of said active duty. Any full-time employee on a military leave of absence shall be compensated as outlined in the City's Human Resources Policies and Practices Manual if the employee provides proper documentation from the Commanding Officer concerning their active duty; or, if the employee is a Commanding Officer, with a copy of the order to report to active duty and any applicable extension orders.

SECTION 10: TRAINING AND PROFESSIONAL GROWTH

10.1 Professional Seminars and Training: To promote continued development of skills, knowledge, and abilities among the Management Team and Confidential employees of the City, the City Manager may grant time off to employee for educational leave. Such leave may be received in order to attend professional, technical, or managerial workshops, courses, conferences, conventions, seminars, or related activities. The cost of attendance at these activities, including travel, per diem, registration, tuition, materials or other reasonable costs, are legitimate City expenditures as provided for in the annual City Budget.

10.2 Professional Membership Fees: Most At-will Management and Confidential personnel are expected to maintain membership in appropriate professional organizations. These memberships serve to acquaint the City with the current state-of-the-art in these professional areas by means of publications and special activities. The City will include the costs of these membership fees in the respective department budgets, subject to approval by the City Manager.

10.3 College Tuition Reimbursement: An At-will Management or Confidential employee who is taking courses in a field related to his/her employment may receive reimbursement for tuition and/or materials for 100% of the reasonable cost for books and tuition per fiscal year. "Reasonable cost" shall be the cost of coursework through the California State University System. Such reimbursement shall be after the employee has successfully completed the course with a grade of "C" or better. Further details of this benefit can be found in the City Tuition Reimbursement policy.

SECTION 11: OTHER BENEFITS

11.1 Annual Physical Examinations: For At-will Management and Confidential employees, the costs of any required employment-related medical examination and diagnostic services, as required, shall be borne by the City, and the costs for treatments or correction of deficiencies shall be borne by the employee. This will be in compliance with adopted medical job standards and the Federal Occupational Safety and Health Act.

11.2 Vehicle Reimbursement for At-will Management: At-will Management employees to a far greater extent than other City employees are required to travel throughout the City and the County to fulfill their job requirements. This travel is frequently required outside of normal working hours. In recognition of this employment requirement, the City may provide either the use of a City vehicle or pay an auto allowance of $400 per month. If it is necessary, the use of a private vehicle shall be reimbursed at the same mileage rate as approved by the City Council, if no auto allowance provisions have been made.

11.3 Vehicle Reimbursement for Councilmembers: In recognition of the travel by automobile that is required of City Councilmembers, each Councilmember can elect to receive either an auto allowance as noted below or be reimbursed for actual mileage at the Internal Revenue Service rate presently in effect (see www.irs.gov).

Effective November 15, 2013:	$235 per month
Effective FY 2014/2015:	$400 per month
Effective FY 2015/2016:	$500 per month

11.4 Deferred Compensation Plan: Employees may elect payroll deductions in an amount permissible under IRS regulations, to be placed in a deferred compensation program administered at no cost to the City. Such monies deposited would become tax deferred and would be subject to income taxation in the year they are withdrawn from the deferred compensation program. The deferred compensation program shall be administered in accordance with federal law.

11.5 Matching 401(A) Plan: The City will make a contribution of two percent of the employee's salary for both At-will Management and Confidential employees into a 401A deferred compensation plan. Employees are required to contribute two percent (2%) of their own money towards the plan to get this benefit.

SECTION 12: TERMINATION ALLOWANCE

12.1 Severance Pay: In order to foster job security within a professional climate, At-will Management employees who receive no protection from the City's Personnel System will be entitled to severance pay when they are discharged from the City service; provided however, that the employee has been in the employ of the City at least one (1) year. At-will Management employees terminated for cause are not eligible for severance benefits.

12.2 Allowance Schedule: Specific severance pay terms and conditions may be subject to negotiation and included in the employee's Employment Contract, as noted in section 2 (Employment Contracts).

12.3 Voluntary Resignation: The provisions of this section do not apply to any employee who voluntarily resigns from the City service for personal reasons. Whenever practical, At-will Management employees shall give thirty (30) days' notice prior to voluntary termination in order to leave City service in good standing.