

RESOLUTION No. 34/15

**A RESOLUTION OF THE CITY COUNCIL
DEFINING THE FIRE MANAGEMENT UNIT OF EMPLOYEES AND ESTABLISHING
SALARIES AND BENEFITS FOR MEMBERS OF THE UNIT**

WHEREAS, the City Council annually adopts a budget that authorizes the City Manager to employ department managers and mid-managers;

WHEREAS, department managers and mid-managers are unrepresented employees who serve at-will to the City Manager;

WHEREAS, the City Council and City Manager desire to establish salaries and benefits for department managers and mid-managers;

WHEREAS, the City Council recognizes that to attract highly qualified, experienced managers, the City Manager may, at the time of hire, find it necessary to offer a package of salary and benefits that includes elements, such as initial leave balances, that would otherwise only accrue to the employee over a defined period of service with the City;

WHEREAS, the City Council has previously adopted and periodically amended an Outline of Salaries and Benefits for Fire Department managers and mid-managers;

WHEREAS, the attached 'Exhibit A' enumerates the job classifications whose incumbents shall be considered members of the "Fire Management Unit"; and

WHEREAS, the attached 'Exhibit B' provides an outline of salaries and benefits for the Fire Management Unit.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Larkspur adopts Resolution 34/15, affirming the definition of the management unit as enumerated in Exhibit A and establishing salaries and benefits for members of the unit as outlined in Exhibit B.

BE IT FURTHER RESOLVED that the City Council of the City of Larkspur authorizes the City Manager to implement the provisions of Exhibit B with the discretion afforded therein and consistent with the budget adopted annually by the City Council.

BE IT FURTHER RESOLVED that the City Council of the City of Larkspur authorizes the City Manager, at the time of recruitment for a fire management position authorized by the budget, to offer a competitive package of salary and benefits.

* * * * *

IT IS HEREBY CERTIFIED that the City Council of the City of Larkspur duly introduce and regularly adopted the foregoing resolution at a meeting held on the 20th day of May, 2015 by the following vote, to-wit:

AYES: COUNCILMEMBERS: Haroff, Hillmer, Morrison, Way

NOES: COUNCILMEMBERS: None

ABSENT: COUNCILMEMBERS: Chu

ATTEST:

CITY CLERK



Daniel Schray

Catherine R. Way

Vice MAYOR

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EXHIBIT A

CLASSIFICATIONS WITHIN THE FIRE MANAGEMENT UNIT

The Larkspur Fire Management Unit ("Management Unit") is defined to include the following classifications:

Fire Chief

Deputy Fire Chief

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EXHIBIT B

CITY OF LARKSPUR

OUTLINE OF FIRE MANGEMENT UNIT SALARIES AND BENEFITS

1. CONDITIONS OF EMPLOYMENT

a) At-Will Status

Managers are unrepresented employees that serve at-will to the City Manager. The City Manager shall supervise the Fire Chief, who is responsible for the supervision of all other chief officers. Consistent with the provisions of this outline and the annually adopted budget, the City Manager shall assign salary and benefits to managers.

b) Terms of Employment

Managers shall receive a letter of employment from the City Manager that shall review terms of employment. In Fiscal Year 2011-12, the City intends to adopt revised personnel rules. As at-will employees, portions of the personnel rules will not apply to managers. Those provisions of the rules that do apply will be identified for managers at the time the new rules are adopted.

c) Comportment Consistent With the Policies, Practices, and Expectations of the Fire Department

Managers are expected to comport themselves consistent with the polices, practices, and expectations of the Fire Department. Such comportment includes refraining from the use of tobacco products while on duty.

2. SALARY

The City recognizes the value of attracting and retaining qualified managers and is committed to providing a fair and competitive salary to management employees.

a) Annual Adoption of Salary Table

The City Council, as part of its annual review and adoption of a budget, shall review and adopt salaries for managers.

b) Salary Adjustments

- i) No later than the last working day of May, the City Manager shall inform each manager if the proposed budget will include a recommendation for a salary adjustment for that manager. Recommendations for salary

adjustments will be based on an assessment that shall include, but not be limited to, consideration of the following criteria:

- performance reviews
- market competitiveness
- internal equity and compaction
- the City's financial condition

- ii) All Fire Management Unit employees working for the City on May 20, 2015 shall be eligible for a one-time, off-schedule payment equivalent to four-percent (4%) of base salary. This payment shall be made at the end of the first full pay period after approval of this outline.

c) Performance Reviews and Performance Pay

The City Manager or his or her designee shall conduct a regular performance review of each manager. If funds are available in the budget, the City Manager may annually award managers with one-time cash payments for exemplary performance and meeting defined performance goals.

d) Market Competitiveness Review

The City Manager shall provide the Management Unit with the methodology by which managers may conduct a market competitiveness review.

e) Acting Pay

When assigned in writing by the City Manager to perform work in a higher classification for more than five (5) consecutive working days, a manager will be compensated for such assignment with no less than an additional 5.0% in salary.

f) Deputy City Manager

A member of this unit serving as Deputy City Manager shall receive a stipend of 10% of salary.

g) Cost-of-Living Adjustments

Effective the first full pay period in July 2015, all Fire Management Unit employees shall receive a salary adjustment of 1.25%.

Effective the first full pay period in July 2016, all Fire Management Unit employees shall receive a salary adjustment of 1.25%

3. BENEFITS

a) Conformity with the Larkspur Management Group Outline

The following benefits shall be provided to managers in the manner described in the Larkspur Management Group *Outline of Salaries and Benefits*:

Group Insurance
Automobile Expense Allowance

Employee Wellness Benefit
Deferred Compensation
Flexible Spending Accounts

b) Mobile Technology Expense Allowance

Fire Management Unit members are expected to own and maintain a mobile phone device sufficient to be in contact with City employees while outside of the office. Effective June 1, 2015, Fire Management Unit members shall receive a monthly mobile technology allowance of \$150 to assist with the cost of such a device and the associated service plan.

If, prior to June 1, 2015, the City was providing a mobile phone device to a manager, the City Manager is authorized to transfer ownership of that device and any related accessories to the employee.

c) Conformity with International Association of Fire Fighters, Local 1775 MOU

The following benefits shall be provided to managers in the manner described in the International Association of Fire Fighters, Local 1775 Memorandum of Understanding:

Uniform Allowance
Retirement Health Savings Account (as described in the Retirement Section of the MOU)

4. LEAVE

a) Conformity with the Larkspur Management Group Outline

Except for those provisions specific to non-exempt employment status, the following leave benefits shall be provided to managers in the manner described in the Larkspur Management Group Outline:

Paid Holidays
Sick Leave
Jury Duty
Military Leave
Sick Leave on Vacation
Emergency Leave
Bereavement Leave
Maternity Leave
Paternity Leave
Personal Leave

a) Vacation Leave

- i) *Rate of Accrual:* Managers shall accrue vacation leave in a manner consistent with the methodology described in the International Association of Fire Fighters, Local 1775 Memorandum of Understanding.
- ii) *Maximum Accrual Threshold:* For managers hired prior to June 1, 2011, the maximum accrual threshold shall be two times the manager's annual rate of accrual or 30 working days, whichever is greater. For managers hired after June 1, 2011, the maximum accrual threshold shall be 30 working days.

b) Personal Leave

At the beginning of the fiscal year, managers shall be credited personal leave as described herein. Personal leave is paid time off and any outstanding balance of personal leave shall expire on the last day of the fiscal year.

- i) *Replacement of Floating Holidays:* Fire Management Unit employees shall receive four (4) days of personal leave to replace four previously allocated "floating holidays". Floating holidays shall no longer be credited.
- ii) *Annual Allocation:* In addition to the personal leave described in Paragraph 4(d)(i), Fire Management Unit employees shall be credited with five (5) days of personal leave each year. The allocation shall be prorated for any manager whose employment begins after the start of the fiscal year.

The City Manager may grant up to five (5) days additional personal leave per year for employees who have provided extraordinary levels of service outside normal business hours.

c) Administrative Leave

It is the desire of the City to recognize the many additional hours of service its Management employees provide through an Administrative Leave program.

- i) *Annual Allocation:* At the beginning of the fiscal year, managers shall be credited with ten (10) days of annual administrative leave to be used to compensate for additional work performed outside the normal business day. (This allocation will be prorated for employment that begins after the start of the fiscal year.) Administrative leave may be taken as paid time off during the course of the fiscal year.
- ii) *Expiration of Administrative Leave:* Administrative leave must be used during the fiscal year granted. For those managers who do not meet the following criteria, upon the issuance of the first paycheck in June, :

- remain employed in good standing with the City; and

- have used at least 5 working days of vacation leave during the current fiscal year (prior to June 1).
- iii) *Conversion to Personal Leave:* No later than the last working day in May, managers who have met or will meet the criteria in Paragraph 4(c)(ii) may notify the City Manager of their desire to convert any amount of administrative leave to personal leave.
- iv) *Direct Compensation for Administrative Leave:* No later than the last working day in May, managers who met or will meet the criteria in Paragraph 4(c)(ii) may notify the City Manager of their desire to receive direct compensation for all or a portion of their administrative leave balances. Direct compensation shall be made on the first paycheck in June.
- v) *Deferred Compensation for Administrative Leave:* Following the first paycheck in June, remaining administrative leave balances shall be converted to deferred compensation and deposited into a Retiree Health Savings (RHS) account, a 401 account, or some combination of the two accounts administered by ICMA-RC. The program will be set-up and maintained in accordance with the guidelines of ICMA-RC.

5. INVOLUNTARY SEPARATION AND SERVERANCE

In the event a Management employee is terminated or asked to resign by the City Manager during such time as the Management employee continues to be willing and able to perform his or her duties, the City shall pay the employee a lump sum cash payment equal to three (3) months' base salary. In addition, the City shall extend to the employee the right to continue health insurance as may be required and pursuant to the terms and conditions of the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA).

6. RETIREMENT

a) California Public Employees' Retirement System (CalPERS)

The City contracts with CalPERS for the provision of a retirement program for its safety employees. The City does not administer the retirement program and makes no representation of the specific parameters of the program beyond what is provided in the City's contract with CalPERS. The program currently offered to safety employees is the "3%@55" program and includes the following options: single-year highest compensation, 2% cost-of-living-adjustment, unused sick leave credit, Employer Paid Member Contribution (EPMC) reported as income for PERS purposes, 1959 Survivors Benefit – 4th level, and Post Retirement Death Benefit with PRSA (Post Retirement Survivor Allowance). Employees may obtain a copy of the CalPERS contract to review all elements of the current program.

b) Employee PERS Cost Sharing

Since December 31, 2012, employees have been responsible for 100% of the member contribution to PERS, defined as nine percent (9%).

In accordance with PEPR and Government Code Section 20516, employees shall engage in sharing the "normal cost" of retirement benefits as described below.

- Effective the first pay period in July 2015, employees who are "classic PERS members" shall contribute an additional one percent (1.0%) for PERS retirement with a total employee contribution of ten percent (10%).
- Effective the first pay period in July 2016, employees who are "classic PERS members" shall contribute an additional one percent (1.0%) for PERS retirement with a total employee contribution of eleven percent (11%).

c) Medicare

The City does not participate in Social Security for its full and part-time permanent employees. However, all employees hired after April 1986 are subject to the Medicare portion of Social Security which mandates that the employee and the employer must contribute 1.45% of the employee's salary up to a maximum dollar amount.

d) Retiree Medical

Retiree medical benefits will be provided to eligible employees who retire from the City of Larkspur as provided below.

- i) For an employee hired before 9/1/08, who retires from the City of Larkspur (City), and who:
 - Has completed 10 or more years of service with the City, and is collecting a PERS retirement benefit, the City will pay for the cost of Kaiser Bay Area medical coverage for the employee.
 - Has completed 15 or more years of service with City, and is collecting a PERS retirement benefit, the City will pay for the cost of Kaiser Bay Area medical coverage for the employee and his/her spouse. To be eligible, the spousal relationship must have been documented with the City for at least 1 year before the employee retires from the City.
- ii) For an employee hired after 9/1/08 and before April 1, 2015, who retires from the City, has completed 10 years of service with the City, and is

collecting a PERS retirement benefit, the City will pay for the cost of Kaiser Bay Area medical coverage for the employee only.

iii) Employee OPEB Contribution: Employees hired on or prior to March 31, 2015 shall contribute the below outlined amounts to assist the City in retiring the OPEB liability. Employees hired on or after April 1, 2015 shall not be subject to contribute to the OPEB liability per this section.

- Effective the first pay period in July 2015 all unit employees shall pay \$30.00 per month toward the City's OPEB liability.
- Effective the first pay period in July 2016 all unit employees shall pay \$60.00 per month toward the City's OPEB liability.

iv) For employees hired after March 31, 2015, the City shall contribute for all retirees enrolled in a CalPERS PEMHCA health plan, the minimum employers' contribution legally mandated under PEMHCA. No additional City contribution to retiree medical insurance premium costs will be provided.

Upon hire, the employee shall contribute 3% of base salary to the employee's Retiree Health Savings Account (RHSA). Employee contributions are 100% vested upon hire. An employee will vest for the purposes of receiving employer contributions upon completion of a 12-months of employment with the city. Upon the completion of this 12-month period, the City will contribute an additional 3% of base salary to the Employee's Retiree Health Savings Account (RHSA).

v) Employees who do not qualify for City paid medical in retirement, as well as eligible dependents of retirees, are allowed access through the City, into the PERS medical plan after retirement, in accordance with the rules established by PERS. Such premiums will be paid for at the retiree's expense.

e) PEMHCA Compliance

For all retirees enrolled in a CalPERS PEMHCA health plan, the City's contribution described above includes the minimum employer contribution amount legally mandated under PEMHCA. Any benefit beyond the annually adjusted minimum employer contribution shall be delivered as a medical premium reimbursement via an IRS section 115 compliant vehicle. In no event shall the combined minimum employer contribution and the IRS Section 115 reimbursement exceed the actual premium associated with the medical plan selected by the eligible retiree.