

AGREEMENT BETWEEN THE

CITY OF VACAVILLE

AND

THE DEPARTMENT HEADS,

CITY MANAGER, AND CITY ATTORNEY

July 1, 2015 – June 30, 2018

Approved by Council: September 22, 2015

Table of Contents

Section 1. Term 2

Section 2. Salary Schedule 2

Section 3. Retirement 2

 3.1 Miscellaneous 2

 3.2 Police 4

 3.3 Fire 5

Section 4. Social Security/Medicare 6

Section 5. Deferred Compensation..... 6

Section 6. Health & Welfare 6

 6.1 Health Insurance 6

 6.2 CalPERS Health Benefit Vesting Program..... 6

 6.3 Dental Insurance 7

 6.4 Vision Insurance 7

 6.5 Life Insurance 7

 6.6 Short Term Disability..... 7

 6.7 Long Term Disability..... 7

Section 7. Holidays 8

Section 8. Vacation 8

Section 9. Administrative Leave..... 9

Section 10. Sick Leave 9

 10.1 Sick Leave Buyback..... 9

Section 11. Bereavement Leave..... 10

Section 12. Catastrophic Leave 10

Section 13. Clothing Allowance..... 10

Section 14. Tuition Reimbursement 10

Section 15. Miscellaneous..... 10

 15.1 Merit Pay..... 10

 15.2 Auto Allowance 10

 15.3 Acting Pay..... 10

APPENDIX A – Salary Schedule..... 11

Department Heads, City Manager and City Attorney**Council Approved September 22, 2015**

Department Head positions are at-will.

Section 1. Term

July 1, 2015 through June 30, 2018.

Section 2. Salary Schedule

Salary schedule is recorded in Appendix A.

Effective October 1, 2015, the following increases as an offset to increased PERS contributions:

- Police Chief = 2.12%
- Fire Chief = 2.15%
- Miscellaneous = 0.75%

At the end of FY 2015-16 (approximately October 2016) and 2016-17 (approximately October 2017), if non-Measure M revenues, less increases in non-discretionary expenditures (limited to CalPERS, PARS, Healthcare or other expenses mandated by the Federal Government, the State of California or a Court with jurisdiction over the City), exceed the City's actual revenue, then the City, will distribute 30% of these excess revenues to employees as a wage increase.

The City will allocate these excess revenues to each bargaining unit on a proportionate basis. If this trigger is reached, the minimum wage increase shall be 1.5% and the maximum shall be 4%. If this trigger is reached, the corresponding wage increase will be effective January 1, 2017 and January 1, 2018.

If the trigger is reached for both years, the trigger calculation in year three will be reduced by the wage increase given in year two.

Section 3. Retirement**3.1 Miscellaneous**

City participates in the Public Employees Retirement System (PERS) and Public Agency Retirement Systems (PARS).

The Public Employees' Pension Reform Act (PEPRA) of 2013 applies to all public employers and public pension plans which include CalPERS.

Hire date on or after January 1, 2013 and deemed "new" member

(New member = no prior PERS/reciprocal employment or break in service greater than 6 months)

Benefits include:

Section 7522.20 (2% @ 62 Formula for Non-Safety Members)

Section 20037 (Three Year Final Compensation)

Employee contribution (Section 7522.30) = 50% of Total Normal Cost, currently 6.25%. Contribution amount is recalculated each year by CalPERS actuarial study.

Effective October 1, 2015, employees shall pay a combined total of eight percent (8%) (6.25% employee contribution plus 1.75% employer contribution) towards CalPERS retirement. The 1.75% shall be paid as a cost share via agreement (pursuant to Government Code Section 20516 (f)) until a CalPERS contract amendment can be completed (which includes an election process) pursuant to Government Code Section 20516 (a). In the event that the election does not result in a contract amendment, the employees agree to continue the stated contribution via agreement pursuant to Government Code Section 20516 (f).

Hire date on or after January 1, 2013 and deemed “classic” member

(Classic member = prior PERS/reciprocal employment with less than 6 month break in service)

Benefits include:

Section 21354 (2% @ 55 Formula for Local Miscellaneous Members)

Section 20042 (One-Year Final Compensation)

Employee contribution (Section 20677) = 7%

Effective October 1, 2015, employees shall pay a combined total of eight percent (8%) (7% employee contribution plus 1% employer contribution) towards CalPERS retirement. The 1% shall be paid as a cost share via agreement (pursuant to Government Code Section 20516 (f)) until a CalPERS contract amendment can be completed (which includes an election process) pursuant to Government Code Section 20516 (a). In the event that the election does not result in a contract amendment, the employees agree to continue the stated contribution via agreement pursuant to Government Code Section 20516 (f).

Hire date on or before December 31, 2012

Benefits include:

Equivalency of 2.7% @ 55 Formula

PERS Section 21354 (2% @ 55 Formula for Local Miscellaneous Member) plus;

Supplemental PARS plan of 0.7% @ 55,

Section 20042 (One-Year Final Compensation)

Employee contribution (Section 20677) = 7% to PERS and 2% to PARS

Effective October 1, 2015, employees shall pay a combined total of eight percent (8%) (7% employee contribution plus 1% employer contribution) towards CalPERS retirement. The 1% shall be paid as a cost share via agreement (pursuant to Government Code Section 20516 (f)) until a CalPERS contract amendment can be completed (which includes an election process) pursuant to Government Code Section 20516 (a). In the event that the election does not result in a contract amendment, the employees agree to continue the stated contribution via agreement pursuant to Government Code Section 20516 (f).

All Miscellaneous retirements also include the following contracted PERS provisions:

Section 20903 (Two Years Additional Service Credit – if “Golden Handshake” activated)

Section 20965 (Credit for Unused Sick Leave)

Section 21024 (Military Service Credit as Public Service)

Section 21027 (Military Service Credit for Retired Persons)

Section 21427 (Improved Non Industrial Disability Allowance)

Section 21548 (Pre-Retirement Option 2W Death Benefit)

Section 21574 (Fourth Level of 1959 Survivor Benefits)

3.2 Police

City participates in the Public Employees Retirement System (PERS).

The Public Employees' Pension Reform Act (PEPRA) of 2013 applies to all public employers and public pension plans which include CalPERS.

Hire date on or after January 1, 2013 and deemed "new" member

(New member = no prior PERS/reciprocal employment or a break in service greater than 6 months)

Benefits include:

Section 7522.25 (2.7% @ 57 Safety Formula)

Section 20037 (Three Year Final Compensation)

Employee contribution = 50% of Total Normal Cost, currently 12%. Contribution amount is recalculated each year by CalPERS actuarial study.

Hire date on or after September 1, 2012 and deemed "classic" member

(Classic member = prior PERS/reciprocal employment with less than 6 month break in service)

Benefits include:

Section 21362 (2% @ 50 Safety Formula),

Section 20037 (Three-Year Final Compensation)

Employee contribution (Section 20678) = 9%

Effective October 1, 2015, employees shall pay a combined total of twelve percent (12%) (9% employee contribution plus 3% employer contribution) towards CalPERS retirement. The 3% shall be paid as a cost share via agreement (pursuant to Government Code Section 20516 (f)) until a CalPERS contract amendment can be completed (which includes an election process) pursuant to Government Code Section 20516 (a). In the event that the election does not result in a contract amendment, the employees agree to continue the stated contribution via agreement pursuant to Government Code Section 20516 (f).

Hire date prior to September 1, 2012

Benefits include:

Section 21362.2 (3% @ 50 Safety Formula)

Section 20042 (One Year Final Compensation)

Employee contribution (Section 20678) = 9%

Effective October 1, 2015, employees shall pay a combined total of twelve percent (12%) (9% employee contribution plus 3% employer contribution) towards CalPERS retirement. The 3% shall be paid as a cost share via agreement (pursuant to Government Code Section 20516 (f)) until a CalPERS contract amendment can be completed (which includes an election process) pursuant to Government Code Section 20516 (a). In the event that the election does not result in a contract amendment, the employees agree to continue the stated contribution via agreement pursuant to Government Code Section 20516 (f).

All Police safety retirements also include the following contracted PERS provisions:

Section 20903 (Two Years Additional Service Credit – if "Golden Handshake" activated),

Section 20965 (Credit for Unused Sick Leave)

Section 21024 (Military Service Credit as Public Service)

Section 21548 (Pre-Retirement Option 2W Death Benefit)

Section 21574 (Fourth Level of 1959 Survivor Benefits)

Sections 21624, 21626 and 21628 (Post-Retirement Survivor Allowance)

3.3 Fire

City participates in the Public Employees Retirement System (PERS).

The Public Employees' Pension Reform Act (PEPRA) of 2013 applies to all public employers and public pension plans which include CalPERS.

Hire date on or after January 1, 2013 and deemed "new" member

(New member = no prior PERS/reciprocal employment or a break in service greater than 6 months)

Benefits include:

Section 7522.25 (2.7% @ 57 Safety Formula)

Section 20037 (Three Year Final Compensation)

Employee contribution = 50% of Total Normal Cost, currently 12%. Contribution amount is recalculated each year by CalPERS actuarial study.

Hire date on or after September 1, 2012 and deemed "classic" member

(Classic member = prior PERS/reciprocal employment with less than 6 month break in service)

Benefits include:

Section 21362 (2% @ 50 Safety Formula)

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All Fire safety retirements also include the following contracted PERS provisions:

Section 20903 (Two Years Additional Service Credit – if "Golden Handshake" activated)

Section 20965 (Credit for Unused Sick Leave)

Section 21024 (Military Service Credit as Public Service)

Section 21027 (Military Service Credit for Retired Persons)

Section 21427 (Improved Non Industrial Disability Allowance)

Section 21548 (Pre-Retirement Option 2W Death Benefit)

Section 21574 (Fourth Level of 1959 Survivor Benefits)

Sections 21624, 21626 and 21628 (Post-Retirement Survivor Allowance)

Section 4. Social Security/Medicare

Full time employees are not covered by social security; however, employees hired after March 31, 1986, are required to pay 1.45% of salary to Medicare which is equally matched by the City.

Section 5. Deferred Compensation

401a: Department Heads are eligible to participate in a City established 401a plan. For those who elect to participate, the City will contribute two percent (2%) and the employee will contribute nine percent (9%).

457k: Department Heads may also elect to participate in a City 457k plan. For Department Heads not electing to participate in the 401a plan, the City will contribute up to two percent (2%) of salary into a 457k plan. Employees are not required to match the first one percent (1%). Employees are required to match anything above the first one percent (1%).

Section 6. Health & Welfare

6.1 Health Insurance

The City will continue to contribute ninety-two percent (92%) of the Kaiser Bay Area premium for coverage through December 31, 2015 (ending with November 30, 2015 paycheck).

Effective the first pay period in which 2016 health premiums apply (December 15, 2015 paycheck) the City will contribute eight-five percent (85%) of the Kaiser Bay Area premium cost for the selected plan level (single, double, family), with the balance to be paid by the employee on a pre-tax basis. An employee selecting a non-Kaiser plan shall receive the same City dollar contribution as an employee selecting the Kaiser plan, but in no event shall the contribution exceed 100% of the plan premium cost.

6.2 CalPERS Health Benefit Vesting Program

The City has implemented the CalPERS Health Benefit Vesting program. The Vesting program is mandatory for all employees hired on or after January 1, 2009, and employees hired prior to that date may voluntarily elect to participate in the Vesting program during an annual election process or at time of retirement.

An employee demonstrating other medical coverage may “opt out” of the City’s/CalPERS medical plan and, in consideration, will receive a \$250 monthly City contribution to his/her deferred compensation account. Other coverage must NOT be through the City via another City employee or retiree.

The City established a Trust with CalPERS for purposes of funding City-wide retiree health care costs.

Each employee will make direct contributions to the trust in the amounts described below on a pre-tax basis.

Effective September 1, 2015

- Safety employees = Fifty dollars (\$50.00) per month
- Miscellaneous employees = Twenty five dollars (\$25.00) per month

Effective July 1, 2016

- Safety employees = Seventy five dollars (\$75.00) per month
- Miscellaneous employees = Fifty dollars (\$50.00) per month

Effective July 1, 2017

- Safety employees = One hundred dollars (\$100.00) per month

Employee contributions shall be discontinued upon full funding of the City's actuarial liability for retiree medical costs.

6.3 Dental Insurance

July 1 through August 31, 2015 each employee pays \$25.00 per month.

Effective September 1, 2015 the City will contribute an amount sufficient to cover one hundred percent (100%) of the cost of Dental premiums for the selected plan level (single, double, family).

6.4 Vision Insurance

The City will contribute an amount sufficient to cover one hundred percent (100%) of the cost of Vision premiums for the selected plan level (single, double, family).

6.5 Life Insurance

The City will provide life insurance in the amount of \$150,000.

The City will make available the opportunity for full-time employees to purchase additional term life insurance for themselves, their spouses and their dependents through a vendor specified by The City. Purchase of additional life insurance and/or spousal and depend life insurance shall be voluntary. Election shall be allowed upon hire and during open enrollment once per year as determined by The City. Premiums shall be paid through payroll deduction.

6.6 Short Term Disability

The City does not currently participate in the State's Short Term Disability program (SDI). The City shall make available the opportunity for full-time employees to purchase Short Term Disability through a vendor specified by The City. Purchase of Short Term Disability insurance shall be voluntary. Elections shall be allowed upon hire and during open enrollment once per year as determined by The City. Premiums shall be paid through payroll deduction.

6.7 Long Term Disability

The City will provide a LTD plan to cover all non-safety employees.

Section 7. Holidays

Recognized Holidays shall be as follows:

- Independence Day
- Labor Day
- Veteran's Day
- Thanksgiving Day & Day after
- Memorial Day
- Christmas Eve (4 hours)
- Christmas Day
- New Year's Eve (4 hours)
- New Year's Day
- Martin Luther King's Birthday
- President's Day

In addition to the above listed holidays, employees shall receive 2 floating holidays added to annual vacation leave each July 1st.

Section 8. Vacation

	<u>37.5 hour</u>	<u>40 hour</u>
Year 1 = 15 days	112.5 hours	120 hours
Year 2 = 16 days	120 hours	128 hours
Year 3 = 17 days	127.5 hours	136 hours
Year 4 = 18 days	135 hours	144 hours
Year 5 = 19 days	142.5 hours	152 hours
Year 6-10 = 20 days	150 hours	160 hours
Year 11 = 21 days	157.5 hours	168 hours
Year 12 = 22 days	165 hours	176 hours
Year 13 = 23 days	172.5 hours	184 hours
Year 14 = 24 days	180 hours	192 hours
Year 15+ = 25 days	187.5 hours	200 hours

Employees shall receive a lump sum bonus equal to 5 days at the completion of 5 and 15 years:

- 37.5 hour employees = 37.5 hours
- 40 hour employees = 40 hours

Maximum accrual:

- 37.5 hour employees = 300 hours
- 40 hour employees = 320 hours

Upon adoption of this agreement, employees may elect to cash out up to eighty (80) hours of their vacation leave balance as follows:

- An election form will be sent to eligible employees showing their accrued vacation balance. Forms will be sent once in the fall of 2015, in January and July of 2016 and 2017 and in January of 2018.
- Employees must elect whether or not they want vacation cash out and how much.

- In 2016 and 2017, the election form must be returned to Human Resources by February 1st and August 1st, and will be paid out on the February 15th and August 15th paychecks each year. In 2018, the election form must be returned to Human Resources by February 1st.
- The Police Chief will be allowed to cash out up to three hundred and fifty (350) hours on each of the following dates:
 - Between adoption date and December of 2015
 - January of 2016
 - For February 15th paycheck
 - July of 2016
 - For August 15th paycheck
 - The remainder of the cash out dates will be a maximum of eighty (80) hours as described above
- As of June 30, 2018, the stated vacation cap will be enforced.
- If an employee reaches their cap on or after June 30, 2018, they will not accrue any additional vacation until the vacation hours are at or less than the stated cap.
- As of June 30, 2018, employees may elect cash-out once per calendar year up to 80 hours by contacting Human Resources.

Section 9. Administrative Leave

Department Heads receive 80 hours of Administrative Leave in recognition of their at-will status. The Administrative Leave will be accrued on a pay period basis.

Administrative Leave is 100% cashable, once per calendar year. An election form will be sent to employees showing their administrative leave balance in November of each year. Employees must elect whether or not they want administrative leave cash-out and how much. The election form must be returned to Human Resources by December 1st. The administrative leave will be paid out in the December 15th paycheck.

Administrative leave will be kept in a separate Administrative Leave Bank with a maximum balance of eighty (80) hours. Any leave that exceeds this maximum balance will be cashed out.

Section 10. Sick Leave

The City will provide 12 days of sick leave per year with an unlimited accrual.

10.1 Sick Leave Buyback

Employee's retiring are eligible to receive 25% of their unused sick leave balance in cash or 100% on death payable to their beneficiary or beneficiaries on file. Any remaining portion of unused sick leave may be converted to PERS service credit up to 100%.

Annually – Employees with 30 days of sick leave balance who use less than 4 of 12 days earned (during the measurement period of December 16th through December 15th) can elect to receive 50% of the unused portion earned in that year in cash.

Section 11. Bereavement Leave

The City Manager may grant Department Heads up to five (5) scheduled work days (for 7.5, 8, 10, and 12 hour employees) of bereavement leave in the event of death of an immediate family member.

For the purposes of this Section, "immediate family" shall include spouse, children, parent, brother, sister, grandparents, grandchildren, mother-in-law, father-in-law, or anyone residing in a household who is a dependent or a relative. This provision does not apply if the death occurs during the employee's paid vacation or while the employee is on leave of absence or layoff.

Section 12. Catastrophic Leave

All employees are eligible to participate in the catastrophic leave program under the current guidelines established.

Section 13. Clothing Allowance

Chief of Police – Receives \$1,000 per year for clothing allowance plus \$50.00 safety equipment paid on a pay-period basis. Increases in clothing allowance granted to Police Managers Association (PMA) shall apply to classification of Chief of Police.

Fire Chief – Receives \$1,200 per year for clothing allowance paid on a pay-period basis. Increases in clothing allowance granted to Fire Managers Group (FMG) shall apply to the classification of Fire Chief.

Section 14. Tuition Reimbursement

Up to \$1,500.00 per fiscal year for tuition and books, earning a "pass" in a pass/fail or a "B" or better grade. Requires pre-approval from the City Manager.

Section 15. Miscellaneous

15.1 Merit Pay

Department Heads demonstrating exceptional performance, as determined by the City Manager, are eligible for an additional five percent (5%) Merit Pay, to be included in base pay.

15.2 Auto Allowance

The City Manager has the authority to grant Auto Allowance or a City assigned vehicle to Department Heads.

15.3 Acting Pay

A Department Head who is temporarily assigned by the City Manager to act in the capacity of a higher level position, shall receive a minimum of five percent (5%) above the employee's regular pay, for all work performed in that capacity effective the date of the assignment.

SIGNATURE ON FILE

Laura C. Kuhn, City Manager

APPENDIX A

DEPARTMENT HEAD MONTHLY SALARY SCHEDULE

Effective , October 1, 2015

CLASSIFICATION	RANGE	
ASSISTANT CITY MANAGER	\$ \$14,559.47	\$ \$17,695.85
CHIEF OF POLICE	\$15,049.05	\$18,292.13
CITY ATTORNEY	\$16,810.69	\$20,432.30
CITY MANAGER	\$17,181.34	\$20,882.80
DIRECTOR OF ADMINISTRATIVE SERVICES	\$12,577.29	\$15,286.67
DIRECTOR OF COMMUNITY DEVELOPMENT	\$12,577.29	\$15,286.67
DIRECTOR OF COMMUNITY SERVICES	\$10,979.76	\$13,348.88
DIRECTOR OF FINANCE	\$11,707.21	\$14,230.23
DIRECTOR OF HOUSING & REDEVELOPMENT	\$11,768.85	\$14,303.66
DIRECTOR OF PUBLIC WORKS/CITY ENGINEER	\$13,396.81	\$16,281.92
DIRECTOR OF UTILITIES	\$13,396.81	\$16,281.92
FIRE CHIEF	\$14,709.82	\$17,879.92