

RESOLUTION NO. 2010-5010

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YORBA LINDA, RELATING TO THE CLASSIFICATION, COMPENSATION AND TERMS OF EMPLOYMENT OF MANAGEMENT EMPLOYEES

WHEREAS, the City desires to provide certain salary increases and changes in benefits to its Management employees effective as of July 1, 2010.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Yorba Linda as follows:

SECTION 1. Basic Compensation Rules. There is hereby established a basic plan of classification, compensation and terms of employment for all Management employees of the City of Yorba Linda who are now or will in the future be employed in any of the classifications of employment listed in this Resolution.

The basic compensation plan shall consist of the monthly compensation ranges listed in Section 3. The rates of pay shall be interpreted and applied as follows:

- A. The first step is the minimum rate and is normally the hiring rate of the class. The City Manager is authorized to make an appointment to a position at any other level of the salary range when he/she deems it necessary.
- B. Every Management employee in a regular competitive service position shall have a salary anniversary date established at the completion of six (6) months of satisfactory service and shall receive a merit increase at this time upon approval of the City Manager. In the event a Management employee is hired at the third step (C Range) or higher, the salary anniversary date will be established at the completion of one year of satisfactory service and may receive a merit increase at this time upon approval of the City Manager.
- C. Compensation on Transfer. The salary rate and salary anniversary date of an employee who is transferred within the classification shall not change.
- D. Changes in Class Salary Range. If a classification is allocated to a different salary range, an employee in a position in that classification shall be compensated at the same numbered step in the new range as he/she was receiving in the previous range and his/her salary anniversary date shall not change.
- E. Salary on Demotion. A Management employee who is demoted shall have his/her salary rate reduced to the nearest lower salary rate to the classification of position to which he/she is demoted. He/she shall not be required to serve a probation period in the lower position. The effective date of the demotion shall become his/her new salary anniversary date, and he/she shall earn eligibility for annual merit increases thereafter.
- F. Length of Service Required When Advancement Denied. When a Management employee has not been approved for advancement to the next higher salary step, he/she may be reconsidered for such advancement at any subsequent time.
- G. Pay Periods. All Management employees shall be paid on a bi-weekly basis. The basic bi-weekly salary shall be computed by multiplying the monthly salary set forth in this Resolution by twelve (12) months and dividing the resultant product by twenty-six (26) pay periods. The basic hourly rate for all employees with scheduled forty (40) hour week shall be computed by dividing the bi-weekly salary by eighty (80) hours.
- H. Furloughs. For the term of this resolution, a 104 hour furlough has been implemented due to the current budget crisis. The furlough will end on a date certain, within the period of August 1, 2010 to June 30, 2011, based upon the decision of the City with prior notification to the Associations. The work week and work day schedule will be adjusted accordingly with the approval of the City Manager.

SECTION 2. Management Employees. Those employees holding the following positions are hereby designated as Management employees:

CLASSIFICATION

- Assistant City Manager
- City Clerk
- City Manager
- Community Development Director
- Finance Director
- Library Director
- Recreation and Community Services Director
- Public Works Director/City Engineer

SECTION 3. Compensation and Benefit Provisions

<u>Position</u>	<u>Monthly Salary Range</u>
Assistant City Manager	\$12,228 - \$14,936
City Manager	Set by contract - \$199,200 (Annually)
Community Development Director	10,706 - 13,013
Finance Director	10,815 - 13,146
Library Director	9,867 - 11,994
Parks and Recreation Director	10,251 - 12,460
Public Works Director/City Engineer	11,295 - 13,729

The salary ranges listed above are based on a traditional twenty-one percent range with actual salaries based upon an evaluation. The top step shall be adjusted based on the median salary of a 2008 12-city survey. The City Manager is authorized to adjust Management employees' actual salary based on an evaluation of the employees' performance from July 1, 2010 through June 30, 2011.

The City Manager is authorized to establish a pay-for-performance plan which shall incorporate a point system with a two-step performance evaluation: one-third of the evaluation shall be based on the accomplishment of specified goals and objectives and two-thirds shall be based on "managerial behavior" as measured against standards agreed upon between the employee and City Manager. The pay-for-performance plan shall provide the opportunity for a performance bonus up to 7.5% for *Outstanding* performance. Any payments under this pay-for-performance plan would be made after the employee's performance review (on or about June 30, 2010). **However, due to the current budget crisis, this pay-for-performance plan will not be implemented during Fiscal Year 2010-2011.**

SECTION 4. Exempt Positions. All Management employees included in the provisions of this Resolution shall receive no additional compensation for overtime hours worked. The monthly salary shall be considered full compensation for all hours worked, however, administrative leave may be granted when approved by the City Manager for good and sufficient cause.

Under the Federal Labor Standards Act (FLSA), salaried employees (mid-managers and managers) are classified as exempt employees. However, due to the implementation of furloughs, exempt employees lose their exempt status during a workweek in which the designated furlough hours take place and therefore will be entitled to overtime pay (if over 40 hours) for overtime worked in that week. Subject to the approval of the City Manager and the following provisions, a Department Head may prescribe reasonable periods of overtime work to meet operational needs of his/her department. Employees shall be compensated for overtime by the payment at the rate of one and one-half (1-1/2) times base salary for all hours over forty (40) worked in a seven (7) day work period and at the rate of two (2) times base salary for Sundays and holidays.

SECTION 5. Separation. Persons appointed or promoted to Management positions after July 1, 2009 serve at the will and pleasure of the City Manager and may be discharged from City employment by the City Manager without proof of cause or other justification and without right of appeal or hearing. Management employees who are appointed or promoted to their positions prior to July 1, 2009 shall be discharged only under the provisions of the Yorba Linda Municipal Code as it existed at the time of their appointment to the position, unless the terms of their employment have been modified pursuant to a Separation Agreement.

The City Manager is authorized to enter into Separation Agreements on behalf of the City with all Management employees establishing terms and conditions of at-will employment. Said Agreement shall provide that as a result of discharge without proof or cause or other justification, a Management employee shall be entitled to the following Separation Compensation which shall be made as a lump sum payment:

- A. Three (3) months pay at an amount equal to his or her hourly rate on the date of discharge.
- B. An amount equal to three (3) months worth of health insurance premiums paid for the Management employee to the Public Employees Retirement System (PERS) plus \$270 which is equivalent to three (3) months of dental/vision insurance premiums.

Discharged Management employees who are subject to a Separation Agreement shall also be entitled to an additional one (1) month of Separation Compensation for each five (5) full years of service rendered to the City of Yorba Linda regardless of previously-held job classification(s). In no event, however, shall Separation Compensation exceed six (6) months. In addition, Management employees must serve one full year prior to being discharged to be eligible for Separation Compensation.

SECTION 6. Retirement. The City of Yorba Linda shall contribute the total amount of the employees' share of the retirement program (PERS) in the name of the employee. The City shall provide a retirement benefit package for the employees which is based on single highest year compensation and includes unused sick leave credit, post-retirement survivor allowance and 1959 Survivors Benefits.

Effective August 7, 2007, the City agrees to pay and report the value of Employer Paid Member Contribution (EPMC) to CalPERS as additional compensation for each employee. This benefit shall consist of paying 7% of the normal contributions for employees, and reporting this 7% as compensation earnable.

SECTION 7. Life Insurance. The City shall provide life insurance on the life of each Management employee and pay the full annual premium therefore. The face amount of said policies shall be equal to the employee's annual salary and increasing it to the nearest one-thousand dollars. Additional life insurance coverage may be purchased if the employee pays for the additional premium.

SECTION 8. Medical/Health Insurance. The City shall provide the PERS Health Plan for medical insurance for the benefit of all members of the City Council and Management employees and their dependents.

- A. The City shall pay toward the annual cost of the health plan in accordance with the following schedule:
 - 1. Regular, competitive service employees and employees' dependents - effective January 1, 2002, the maximum monthly benefit for employees hired prior to July 1, 2001 shall be \$1,167.00.

Employees hired on or after July 1, 2001 shall not be eligible for health insurance described above. Effective January 1, 2011, the City shall contribute \$945.00 per month toward a "cafeteria plan". The cafeteria plan is utilized first to pay health

insurance premiums; any residual amount may be received as cash or applied toward the employee's deferred compensation.

Employees hired prior to July 1, 2001, may exercise a one-time election to join the cafeteria plan set forth above. The election, once made, is irrevocable.

2. Retired, competitive service employees and employees' dependents – effective January 1, 2002, the maximum monthly benefit for retirees hired prior to July 1, 2001 shall be (up to) \$1,167.00 for retirees and their dependents that are eligible to participate in the PERS Health Plan. The City will pay a percentage of the PERS Health Plan Premium on behalf of the retiree and their dependents (the percentage covered by the City shall increase each year in accordance with PERS Health Plan rate formula.)

Retirees hired on or after July 1, 2001 shall not be eligible for health insurance described above. Effective January 1, 2011, the maximum monthly benefit for retirees and their dependents shall be (up to) \$945.00 to participate in the PERS Health Plan. Retirees will no longer receive any residual amount as cash or as deferred compensation. The City will pay a percentage of the PERS Health Care Plan premium on behalf of the retiree and their dependents (the percentage covered by the City shall increase each year in accordance with the PERS Health Plan rate formula.)

- B. The City shall provide for the entire cost of the annual physical examination and all costs associated therewith for Management employees.

SECTION 9. Dental and Vision Insurance/Employee Assistance Program. The City shall provide a self-insured indemnity plan for dental and vision insurance and employee assistance program benefits for the following classes of employees and their dependents. The City shall pay toward the annual cost of the dental, vision, and employee assistance program in accordance with the following schedule:

- A. Regular, competitive service employees and employees' dependents - 100% of the insurance premiums.
- B. Retired competitive service employees and employees' dependents - eligible to participate in the City's self-insured dental and vision plans. The City will pay a percentage of the dental and vision insurance premium on behalf of the retiree and their dependents (the percentage covered by the City shall increase each year in accordance with the PERS Health Plan rate formula).

SECTION 10. Disability Insurance. The City shall provide short-term and long-term disability insurance plans for all Management employees. The City shall pay one hundred percent (100%) of the premium for both plans.

SECTION 11 to SECTION 22 (For the term of this resolution). No form of leave or floater holidays may be used on designated furlough days/hours.

SECTION 11. Vacation Leave. All Management employees shall be granted annual vacation leave. The City Manager is authorized to establish a vacation reimbursement program so as to limit the City's annual accrued liability as he or she may deem appropriate. Annual vacation leave shall accrue on the following basis:

1 - 4 years service	120 hours/year
5+ years service	160 hours/year

Employees may accumulate an amount up to quadruple their annual vacation accrual. Any excess "carryover" must be approved by the City Manager. Once the maximum accrual is reached, there is no more accrual of vacation until one goes below the maximum and has "cap room" to accrue.

Typically, any unused vacation time above one-half of the employee's annual vacation accrual may be subject to buyback. The buyback will be based on the number of unused vacation hours multiplied by the employee's hourly rate. In order to be eligible for the yearly buyback, an employee must utilize a minimum of eighty (80) hours of vacation in the preceding year. **However, due to the current budget crisis, the ability to buyback accrued vacation will be suspended for the fiscal year 2010-2011.**

SECTION 12. Sick Leave. All Management employees shall accrue annual sick leave at a rate of eight (8) hours per calendar month. Management employees shall be paid upon termination, any accumulated unused sick leave at the rate of 25% after five (5) years of service; 50% after ten (10) years of service; and 75% after fifteen (15) years service. Upon separation, unused sick leave shall be paid at a rate of 100% only if the employee places the entire amount, up to IRS annual limits, in his/her 457 or 401A account. Any amount exceeding the annual 457 or 401A plan amounts shall be paid in cash.

Employees are eligible to accumulate a maximum of 2,500 hours of sick leave. Employees hired on or after July 1, 2001 shall not be eligible for the payoff of unused accumulated sick leave upon separation as set forth above.

SECTION 13. Personal Necessity Leave. Employees not participating in an alternative work schedule shall be granted personal necessity leave not to exceed five (5) days per year. Personal necessity leave shall be used for emergency or unforeseen necessities. Personal necessity leave shall be deducted from accumulated sick leave. Employees participating in an alternative work schedule shall not be granted personal necessity leave.

SECTION 14. Industrial Sick Leave. All Management employees are entitled to industrial sick leave. See Personnel Rules and Regulations.

SECTION 15. Subpoenaed Absence. All Management employees are entitled to a subpoenaed leave of absence. See Personnel Rules and Regulations.

SECTION 16. Jury Duty. All Management employees are entitled to serve on jury duty. See Personnel Rules and Regulations.

SECTION 17. Leave of Absence Without Pay. All Management employees are entitled to leave of absence without pay. See Personnel Rules and Regulations.

SECTION 18. Bereavement Leave. All Management employees are entitled to bereavement leave. See Personnel Rules and Regulations.

SECTION 19. Catastrophic Leave. All Management employees may receive catastrophic leave donations from other employees (on a voluntary basis) if the employee has a catastrophic medical condition which will require the employee to be on unpaid leave for at least one month. Provided the employee has exhausted all accrued sick leave; vacation; and compensatory time, a written request for donations shall be submitted to the Department Head. The request must be accomplished by a medical statement from the employee's attending physician which verifies the employee's need for an extended medical leave and must include a brief statement of the nature of the illness or injury and an estimated time the employee will be unable to work. Employees who receive donations under this procedure and who exhaust all donated sick leave may request an additional donation period subject to the aforesaid provisions.

SECTION 20. Military Leave of Absence. All Management employees are entitled to military leave of absence. An employee who has been in the service of the city continuously for one year or more and is called into the Armed Services of the United States (Army, Navy, Marine Corps or Air Corps) for active reserve duty, shall be allowed a paid leave of absence for a period not to exceed thirty (30) days in any calendar year, provided that the period of active reserve duty does not exceed one hundred eighty (180)

calendar days. An employee required to perform active duty with such organizations for a period in excess of that for which compensation may be paid hereunder may be granted a leave of absence without pay. City service shall not be deemed to be interrupted by such absence for the purpose of this resolution. An employee's employment status, with reference to promotion or continuance in office, employment, reappointment to office or re-employment, shall not be prejudiced directly or indirectly by reason of any absence from duty on account of actual service in the military forces of the United States.

SECTION 21. Administrative Leave. All Management employees are entitled to administrative leave up to 80 hours per fiscal year. Administrative leave is subject to approval by the City Manager.

SECTION 22. Holidays. The City shall recognize the following days as paid holidays for all Management employees:

2010

Independence Day (1)	Monday	July 5
Labor Day	Monday	September 6
Veterans Day	Thursday	November 11
Thanksgiving	Thursday	November 25
Day After Thanksgiving (2)	Friday (Floater)	November 26
Christmas Eve*	Friday (Floater)	December 24
Christmas (3)	Saturday (Floater)	December 25
New Year's Eve - 2 hours (4)	Friday	December 31

2011

New Years Day (5)	Saturday (Floater)	January 1
Nixon's Birthday (6)	Monday	January 10
Lincoln's Birthday (7)	Floater	Floater
President's Day	Monday	February 21
Memorial Day	Monday	May 30

- (1) Independence Day, July 4th falls on a Sunday and is therefore designated a federal holiday on Monday, July 5th.
- (2) *The Day after Thanksgiving and Christmas Eve fall on an alternate closed Friday and therefore are designated floater days for fiscal year 2010/11.
- (3) Christmas falls on a Saturday and is designated a federal holiday on December 24th, which is already a City designated holiday and alternate closed Friday for the City. Therefore, this holiday is designated a floater day for fiscal year 2010/11.
- (4) On New Year's Eve, all City facilities will close 2 hours early, no later than 3:30 p.m.
- (5) New Years' Day falls on a Saturday and is designated a federal holiday on December 31st, which is already a City designated holiday in that all facilities close two hours earlier. Therefore, this holiday is designated a floater day for fiscal year 2010/11.
- (6) Nixon's Birthday falls on a Sunday. Therefore, this holiday is designated as Monday, January 10th for fiscal year 2010/11.
- (7) Lincoln's Birthday has been changed to the employee's birthday, which may be used at any time during the fiscal year.

SECTION 23. Travel, Miscellaneous Meetings and Convention Expenses.

A. Automobile Allowance.

1. The City Manager may authorize automobile allowance to Management

employees ranging from zero to three-hundred twenty-five dollars per month as deemed appropriate. Management employees, members of the City Council and appointed officials, not receiving an automobile allowance, may claim automobile reimbursement on approved expense claim forms furnished by the Finance Department for the use of his/her own private automobile, in the course of his/her City employment or on City business. Such use of a private vehicle shall only be when the City vehicle is not available for transportation. Reimbursement at a rate consistent with the Internal Revenue Service standard may be approved for use of private vehicles on City business, within the City or within a radius of sixty miles therefrom. The City Manager may authorize, annually, increases in the automobile allowance in conjunction with the Consumer Price Index effective July 1st of each year.

B. Commercial Transportation Allowance. All Management employees shall be entitled to the following allowance.

1. Allowance for use of commercial transportation shall be based upon scheduled airline coach rates in regard to all out-of-town travel on City business.
2. The use of private vehicles by Management employees, members of the City Council, or appointed officials on City business or out-of-town trips, within the State, may be approved by the City Manager when use of commercial transportation is not available, economical or practical. If such persons prefer to use their private vehicle, they may be reimbursed the amount of the costs of commercial transportation only. The flat rate per mile set forth in Subsection A above will not apply in such cases.
3. When air, rail or public transportation is used, expenses necessary for local transportation, such as taxi cab and bus fare, will be allowed whenever such transportation is necessary for the conduct of City business after approval by the City Manager.

C. Out-of-City Travel, Meetings and Convention Expenses. If, in the judgment of the City Manager, the estimated expenses of the approved contemplated travel, lodging and other related expenses pertinent to said trip are too high and would create a hardship for the employees to finance initially, the City Manager may authorize an advance payment of the estimated amount to the employee. Upon return of the employee from said trip, he/she shall submit an itemized statement as to his/her actual expenses. Final adjustments shall be made to the favor of the employee or the City, whichever the case may be. The cost of lodging and meals shall be at a reasonable rate and appropriate to the purpose of the trip.

D. Miscellaneous Expenses. Telephone and telegraph charges incurred while on out-of-city business will be allowed for official calls as approved by the City Manager.

E. Councilmember Expenses. Members of the City Council may be paid for expenses incurred when on City business requiring overnight accommodations, plus reimbursement for actual traveling expenses including food, hotel, transportation and conference registration upon approval by the City Council prior to the expense occurring.

SECTION 24. Miscellaneous Provisions.

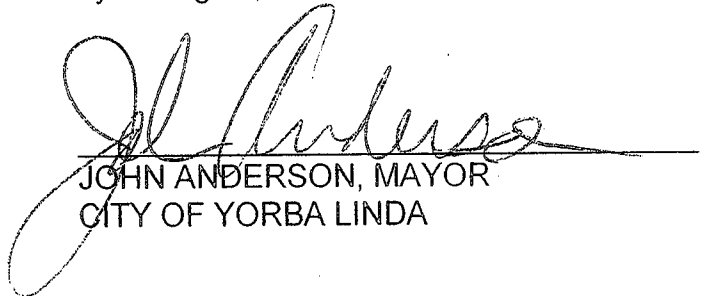
A. Avoidance of Inequities. The City Manager may, after consulting with and receiving the approval of the City Council, authorize special adjustments to avoid or eliminate inequities resulting from the strict application of any provisions of this Resolution.

B. Administrative Regulations. The City Manager is authorized to issue written administrative personnel regulations designed to augment or clarify the provisions of this Resolution.


SECTION 25. Effective Date. Except as otherwise specified to the contrary in this Resolution, all provisions shall be effective as of July 1, 2010 pursuant to Minute Order action of the City Council on August 17, 2010.

SECTION 26. Resolution No. 2009-4041 is hereby rescinded in its entirety.


PASSED, APPROVED AND ADOPTED by the City Council of the City of Yorba Linda at a regular meeting held on this 17th day of August, 2010.


JOHN ANDERSON, MAYOR
CITY OF YORBA LINDA

ATTEST:


MARCIA BROWN, CITY CLERK
CITY OF YORBA LINDA


APPROVED AS TO FORM:
BEST BEST & KRIEGER LLP


CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.

I, **MARCIA BROWN**, City Clerk of the City of Yorba Linda, California, **DO HEREBY CERTIFY** that the foregoing Resolution was adopted at a regular meeting of the City Council of the City of Yorba Linda held on the 17th day of August, 2010, and was carried by the following roll call vote:

AYES: COUNCILMEMBERS: ANDERSON, HORTON, RIKEL, SCHWING, WINDER
NOES: COUNCILMEMBERS: NONE
ABSENT: COUNCILMEMBERS: NONE


MARCIA BROWN, CITY CLERK
CITY OF YORBA LINDA