



AGENDA REPORT

Meeting Date: December 16, 2008

Item Number: F-7A & B

To: Honorable Mayor & City Council

From: Rod Wood, City Manager

Subject:

- A) **RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS ADOPTING THE COMPENSATION PLAN FOR ELECTED OFFICIALS**
- B) **RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS AMENDING THE COMPENSATION PLAN FOR DEPARTMENT DIRECTORS, ASSISTANT DEPARTMENT DIRECTORS, AND SENIOR MANAGEMENT EMPLOYEES**

Attachments:

- 1. Resolution for Elected Officials Compensation Plan
- 2. Elected Officials Compensation Plan
- 3. Resolution for Executive Employee Compensation Plan
- 4. Executive Employee Compensation Plan – Redline Version
- 5. Revised Executive Employee Compensation Plan

INTRODUCTION

The City's Executive Employee Compensation Plan has not been updated since October 1, 2007. The City Manager is recommending the attached Plan with includes a number of changes to the plan. In addition, staff recommends that sections of the Executive Employee Compensation Plan that pertain solely to Councilmembers and the City Treasurer be separated from the Executive Employee Plan and reformatted into its own separate plan. There are no changes to the Councilmembers and City Treasurers wages/benefits, just a separation and reformatting of the plan.

DISCUSSION

The City currently provides executive employees with certain wages and benefits as approved by the Council in the Executive Employees Compensation Plan. The executive employees covered in this plan are the department directors, assistant department directors and senior management staff. The plan has not been updated since October 1, 2007. In the mean time, staff has been working with other City Employee Associations

first, in negotiating their plans. The Executive Employees are not a formal bargaining unit.

The City Manager is recommending a revised Executive Employee Compensation Plan effective October 1, 2008 with the following changes:

1. Inclusion of the Enhanced Flexible Benefits (Cafeteria) Plan as previously approved by Council to begin January 1, 2010. This will be the same plan being negotiated with the other employee bargaining units,
2. Inclusion of wording to add a Tier 2 Retiree Health Insurance Defined Contribution Benefit Plan that will replace the current Retiree Health Insurance Defined Benefit Plan for executive employees that start on or after January 1, 2010, as previously approved by Council,
3. Inclusion of a severance pay provision for executive employees,
4. Documentation of the mileage reimbursement plan for executive employees that was previously approved by the City Manager and Council two years ago when automobile allowances for executive employees were discontinued, but which was never formally included in the Compensation Plan (that requires executive employees to drive over 25 miles before allowing any reimbursement at the City approved rate), and
5. Inclusion of wording to allow current executive employees, upon Council approving the program, to voluntarily convert their current Retiree Health Insurance Defined Benefit Plan into the City's new Retiree Health Insurance Defined Contribution Plan.

In addition, the current Executive Employee Compensation Plan includes provisions for the City's non-employee elected officials as well. Staff recommends removing the elected official language from the current plan and adding it to a new plan designed for the City's elected officials (the Councilmembers and the City Treasurer). This will help simplify the Executive Employee Compensation Plan and will allow staff to better keep track of changes in State Law that mostly effect elected officials' and not employees of the City. No changes to elected officials' wages or benefits are being recommended at this time.

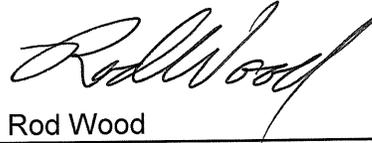
FISCAL IMPACT

There are no material fiscal impact increases from the changes in the recommended plan, unless the severance pay program is used (which happens infrequently). There will be short term fiscal impacts when the new cafeteria plan is implemented on January 1, 2010, as explained to Council when they approved the plan previously, but these impacts will significantly decrease over time as the cafeteria plan matures. There will also be significant long term cost savings to the City as new employees are hired after 1/1/2010 and fall under the Tier 2 retiree health plan. This is a win-win situation for the City and the employee which adds significant benefits to the employee, but curtails the City's future unfunded liabilities as it relates to retiree medical health insurance.

There is no economic impact in the recommendation to create the Councilmember and City Treasurer Compensation Plan, since the changes are administrative and no new or additional benefits are being implemented.

RECOMMENDATION

It is recommended that the City Council adopt the two resolutions approving the revised Executive Employee Compensation Plan and creating the Councilmember and City Treasurer Compensation Plan.

A handwritten signature in black ink, appearing to read "Rod Wood", written in a cursive style.

Rod Wood

City Manager Approval

Attachment 1

Resolution for Elected Officials Compensation Plan

RESOLUTION NO. 08-R-

RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS ADOPTING THE COMPENSATION PLAN FOR ELECTED OFFICIALS

The Council of the City of Beverly Hills resolves as follows:

Section 1. That certain Compensation Plan for Elected Officials, dated December 16, 2008, a copy of which is on file in the office of the City Clerk, is hereby adopted.

Section 2. The City Manager or his designee shall administer the terms of the Compensation Plan on behalf of the City.

Section 3. The City Clerk shall certify to the adoption of this Resolution and shall cause this Resolution and his certification to be entered in the Book of Resolutions of the Council of this City.

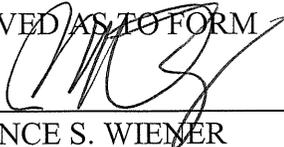
Adopted:

BARRY BRUCKER
Mayor of the City of Beverly Hills,
California

ATTEST:

BYRON POPE (SEAL)
City Clerk

APPROVED AS TO FORM



LAURENCE S. WIENER
City Attorney

Attachment 2

Elected Officials Compensation Plan



ELECTED OFFICIALS COMPENSATION PLAN

I. CITY COUNCIL COMPENSATION

Each member of the City Council shall receive a monthly base pay of \$785.81 in accordance with Government Code section 36516. Except as otherwise provided in this Section and Section V(A) of the Executive Compensation Plan, City Councilmembers shall receive all of the same health insurance benefits (including medical, dental and optical insurance), disability insurance, life insurance and retirement benefits (including California Public Employees' Retirement System (CalPERS) service retirement) set forth in the Executive Compensation Plan that are received by Executive Employees employed by the City as of March 14, 2000 (the date that the Executive Compensation Plan became fully applicable to City Councilmembers and the City Treasurer). City Councilmembers shall not receive compensation for any leaves or for deferred compensation. Medical insurance benefits for current and former City Councilmembers shall be governed by Section V(A) of the Executive Compensation Plan.

City Council members, at the time of retiring or leaving office, or any time thereafter, may purchase at their sole cost and expense, health insurance coverage through CalPERS as allowed by the Government Code and the CalPERS.

II. CITY TREASURER COMPENSATION

The City Treasurer shall receive a monthly base pay as specified in the City Municipal Code, in accordance with Government Code section 36517. The City Treasurer shall receive all the benefits as stated above for City Councilmembers, except for CalPERS Retirement. The City Treasurer shall not receive compensation for any leaves or for deferred compensation. Health insurance benefits for current and former City Treasurers shall be governed by Section V(A) of the Executive Compensation Plan.

The City Treasurer, at the time of retiring or leaving office, or any time thereafter, may purchase at their sole cost and expense, medical insurance coverage through CalPERS as allowed by the Government Code and the CalPERS.

Attachment 3

Resolution for Executive Employee Compensation Plan

RESOLUTION NO. 08-R-

RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS AMENDING THE COMPENSATION PLAN FOR DEPARTMENT DIRECTORS, ASSISTANT DEPARTMENT DIRECTORS, AND SENIOR MANAGEMENT EMPLOYEES

The Council of the City of Beverly Hills resolves as follows:

Section 1. That certain amended Compensation Plan for Department Directors, Assistant Department Directors and Senior Management Employees, dated December 16, 2008, a copy of which is on file in the office of the City Clerk is hereby adopted with an effective date of October 1, 2008.

Section 2. The City Manager or his designee shall administer the terms of the Compensation Plan on behalf of the City.

Section 3. The City Clerk shall certify to the adoption of this Resolution and shall cause this Resolution and his certification to be entered in the Book of Resolutions of the Council of this City.

Adopted:

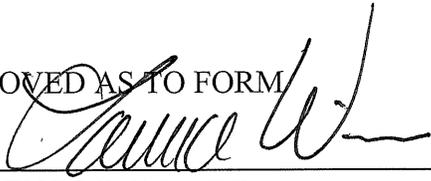
BARRY BRUCKER
Mayor of the City of Beverly Hills,
California

ATTEST:

BYRON POPE
City Clerk

(SEAL)

APPROVED AS TO FORM

A handwritten signature in black ink, appearing to read "Laurence W.", written over a horizontal line.

LAURENCE S. WIENER
City Attorney

Attachment 4

Executive Employee Compensation Plan – Redline Version



EXECUTIVE EMPLOYEE COMPENSATION PLAN

~~I. CITY COUNCIL AND CITY TREASURER COMPENSATION~~

~~Each member of the City Council shall receive a monthly base pay of \$785.81 and the City Treasurer shall receive an annual base pay of \$1.00 in accordance with Government Code section 36516. Except as provided in this Section I and Section VII(A), City Councilmembers shall receive all of the same health insurance benefits (including medical, dental and life insurance), disability insurance, optical insurance and retirement benefits (including CalPERS service retirement) set forth in this Plan that are received by Executive Employees employed by the City as of March 14, 2000 (the date that this Compensation Plan became fully applicable to City Councilmembers and the City Treasurer). City Treasurer receives all the benefits as stated above, except for CalPERS Retirement. City Councilmembers and City Treasurer shall not receive compensation for any leaves or for deferred compensation. Health insurance benefits for current and former City Councilmembers and City Treasurer shall be governed by Section VII(A) of this Compensation Plan.~~

~~II. CITY CLERK~~

~~The base pay rate for City Clerk (AD City Clerk) shall be placed within the base pay range of \$6,100 - \$16,000 per month. The City Council shall be responsible for determining the actual rate. The City Clerk shall also be eligible to receive benefits as described in the City Clerk's contract approved by the City Council.~~

~~The City Clerk shall receive 2% of base pay for use in a flexible benefit program. At the discretion of the employee, the additional flexible benefit funds may be converted to base pay or applied to deferred compensation subject to the limit of the law.~~

I. CITY MANAGER RESPONSIBILITIES AND AUTHORITY

~~III. CITY MANAGER RESPONSIBILITIES AND AUTHORITY~~

The City Manager, as chief administrative officer of the City, and with responsibility for all employees not appointed by the City Council, is responsible for the administration and implementation of this compensation plan and has the authority to make changes to this plan that stay within appropriated funds for salaries and benefits (plus city manager purchasing authority- providing that these changes do not impact the City Manager's contract) as approved by the City Council during each fiscal year.

Executive Employee Compensation Plan

~~Department Director, Assistant Department Director and Senior Management Employees~~

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The City Manager has authority to set base pay rates for the positions included in this plan and these salaries shall not exceed a rate of 2% below the City Manager's monthly base pay. The City Manager (or designate) shall be responsible for determining the specific base pay paid to each position based upon qualifications and performance.

The City Manager is responsible for attracting and hiring the very best candidates to fill Department Director, Assistant Department Director and Senior Management positions with the City. Pursuant to Beverly Hills Municipal Code 2-3-101.J, the City Council authorizes the City Manager to negotiate and approve multi-year employment agreements (without regard to Level 3 contract limits) for wages and benefits as well as grant and/or advance vacation, sick leave, and administrative leave hours or other benefits similar to those contained in this Plan, based upon benefits and years of service coinciding with prior service in other jurisdiction(s) or upon prevailing market conditions.

IVII. DEPARTMENT DIRECTOR, ASSISTANT DEPARTMENT DIRECTOR AND SENIOR MANAGEMENT EMPLOYEE LEVELS

There shall be three levels of employees affected by this Compensation Plan. They are classified as: Department Director, Assistant Department Director and Senior Management. The positions within each classification are as follows:

Department Director

AW	Assistant City Manager
AO	Chief Financial Officer/Administrative Services Director
AG	Chief Information Officer
AY	Chief of Police
AK	Community Development Director
AR	Community Services Director
AV	Fire Chief
FW	Public Works and Transportation Director

Assistant Department Director

MB	Assistant Chief Information Officer
AJ	Assistant Director of Administrative Services /Finance
AP	Assistant Director of Administrative Services /Human Resources
AI	Assistant Director of Community Development/Building & Safety
BF	Assistant Director of Community Development/City Planner
AE	Assistant Director of Community Services/Library Services

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~~Department Director, Assistant Department Director and Senior Management Employees~~

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CH	Assistant Director of Community Services/Recreation & Park
AX	Assistant Director of Public Works and Transportation/City Engineer
AY	Assistant Police Chief
AL	Deputy City Manager
AC	Deputy Fire Chief/ Assistant Director

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~~Department Director, Assistant Department Director and Senior Management Employees~~

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Senior Management

LI	Assistant City Clerk
CW	Deputy City Engineer
CY	Deputy Director of Public Works and Transportation/Transportation
AT	Communications & Marketing Director AB
	Emergency Management Director
CU	Budget and Management Officer
CZ	Project Administration Director
BR	Maintenance Operations Manager
BD	Risk Manager
WG	Economic Development and Marketing Director
VU	Environmental Utilities Manager
WW	Parking Operations Director
DL	Training and Organizational Dev. <u>Development</u> Manager
<u>XI</u>	<u>Division Commander (Police Department)</u>

The City Manager may make appointments within the prescribed levels of management for any position upon evaluation of employee qualifications and job responsibilities.

VIII. MANAGEMENT COMPENSATION PAY

Department Director, Assistant Department Director and Senior Management employees shall be entitled to special Management Compensation Pay above their base pay, at rates established by the City Manager.

Executive Employee Compensation Plan

~~Department Director, Assistant Department Director and Senior Management Employees~~

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~~VI~~IV. LEAVES

A. Holidays

Department Director, Assistant Department Director and Senior Management employees shall be entitled to the following paid holidays if said employee worked the regularly assigned work period the day before and the day after the holiday or was absent on authorized paid leave during said period:

New Year's Day	January 1
Martin Luther King Day	3rd Monday in January
President's <u>Presidents'</u> Day	3rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Veteran's <u>Veterans'</u> Day	November 11
Thanksgiving Day	Fourth Thursday in November
Day after Thanksgiving	Day after 4th Thursday in November
Christmas Day	December 25

If the following holidays (January 1, July 4, November 11, and December 25) fall on a Saturday, the preceding Friday shall be considered the holiday; if the holiday falls on Sunday, the following Monday shall be considered the holiday.

B. Personal Holiday

Department Director, Assistant Department Director and Senior Management employees shall be entitled to two paid personal holidays each calendar year. Said holidays may be taken at the ~~employee's~~employees' discretion subject to their supervisor's approval. ~~Said holidays are non-accruable and shall not be paid for if not taken.~~ Employees are encouraged to use said personal holidays during the year they are accrued. Employees may not have more than two personal holidays on the books at any time. If at the end of a calendar year, an employee still has personal holidays on the books, for the following calendar year, the employee will receive only that amount of personal holidays that will bring the balance to two personal holidays, in accordance with California Labor Code Section 227.3. Personal holidays cannot be cashed out at the end of the year.

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C. Vacations

1. Authorization for Taking Vacation

Upon approval of their supervisor, employees may take accrued vacation leave. The City Manager may advance a newly hired Department Director, Assistant Department Director and/or Senior Management employee's vacation accrual rate based upon years of service coinciding with prior years of service in other jurisdiction (s) and based upon prevailing market conditions.

2. Holidays During Vacations

When a holiday falls within an employee's vacation leave, the leave time shall be extended or credited by the amount of the holiday time.

3. Vacation Accumulation

Vacation credit shall be accrued biweekly to Department Director, Assistant Department Director and Senior Management employees at the following rates:

<u>FIRST YEAR OF SERVICE</u>	<u>BEGINNING THE 2ND YEAR OF SERVICE</u>	<u>AFTER 14 YEARS OF SERVICE</u>
3.07 Hours Bi-weekly	4.60 Hours Bi-weekly	6.13 Hours Bi-weekly
80 hours/yr	120 hours/yr	160 hours/yr

Department Director, Assistant Department Director and Senior Management employees may accumulate accrued vacation up to a maximum of 240 hours, plus the current year's accruals.

~~At the end~~ In December of each calendar year, upon the employee's request, an employee with 240 hours or more of accumulated vacation can receive cash payment for up to 80 vacation hours earned but not taken during the calendar year.

D. Sick Leave

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~~Department Director, Assistant Department Director and Senior Management Employees~~

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Every Department Director, Assistant Department Director and Senior Management employee shall accrue eight (8) hours of sick leave per month.

1. Job Connected Disability

Except as provided herein, no employee shall be entitled to use accumulated sick leave during any period for which he/she is entitled to receive temporary disability indemnity under Division 4 (Section 3201, et. seq.) of the California Labor Code. Any employee (except members of the Fire and Police Service entitled to the industrial leave benefits of Section 4850 of the California Labor Code) entitled to receive such temporary disability indemnity may elect (for a period not to exceed twelve (12) months after he/she first makes such election) to use as much of his/her accumulated sick leave or accumulated vacation, so when added to his/her temporary disability indemnity will result in a payment to him/her of not more than full base pay or wage.

2. Sick Leave Incentive

Department Director, Assistant Department Director and Senior Management employees, who accumulate 72 hours or more of sick leave that was accrued in any payroll year, may convert up to 24 hours of sick leave to cash during the month of January of the following year. The limit of payment shall be 24 hours per year.

E. Bereavement Leave

Bereavement leave is an absence occasioned by the death of a family member of the employee.

Forty (40) hours of bereavement leave, per calendar year, may be used in the event of the death of a family member, herein defined as a spouse, registered domestic partner, parent, brother, sister, child, grandparent, in-law, or parent of registered domestic partner of the employee. In the event an employee needs additional time off for this leave, he/she may use up to 40 hours of sick leave per calendar year.

Requests for bereavement leave shall be made in writing, when feasible, and shall be approved by the Department Head in consultation with the Assistant Director of Administrative Services-Human Resources. In the event the emergency required the presence of employee, and he/she could

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~~Department Director, Assistant Department Director and Senior Management Employees~~

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not prospectively make a request, subsequent approval must still be obtained in writing.

F. Witness and Jury Leave

Any employee who is required to serve as a witness pursuant to a lawful subpoena in any judicial or quasi judicial proceeding or who is required to serve as a juror, shall be allowed time off without loss of pay to perform such duties. In addition, per California Labor Code section 230(b), an employee shall be allowed time off but with loss of pay, if the employee is a party to the matter for reasons other than actions within the scope of the employee's current or past public employment. All fees to which the employee is entitled by law for such service shall be paid (less transportation allowance, if any) to the City. This section is not applicable to those employees participating in judicial or quasi judicial proceedings that are within the scope of their employment.

Upon receipt of a jury summons, employees should notify their Department Head so that the request for jury duty can be considered relative to the pending projects of the department. This notification will give the Department Head and the employee's supervisor an opportunity to discuss whether or not a postponement is necessary.

G. Professional Development Program

1. Department Director, Assistant Department Director and Senior Management ~~Employees~~employees are eligible for this program.

A City paid leave of absence (sabbatical leave) program shall be established with the following privileges and restrictions:

The granting of sabbatical leaves shall be at the discretion of the City Manager.

2. Approval of requests for sabbatical leave shall be based on the following criteria:
 - a. Content of a leave program with a basic requirement that the program be designed to professionally develop the employee in a manner potentially beneficial to his or her City employment.

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~~Department Director, Assistant Department Director and Senior Management Employees~~

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- b. A plan for maintaining work continuity of the employee's duties and responsibilities during his or her absence, with emphasis placed on development of subordinates through training assignments.
 - c. Coordination with departmental priorities and workload.
 - d. Employee's performance record.
3. Sabbatical leaves may allow up to Five Hundred Dollars (\$500) for expenses.
 4. Sabbatical leaves shall be restricted to one (1) leave up to ninety (90) calendar days, for each Department Director, Assistant Department Director and Senior Management employee each five (5) years with not more than three (3) Department Director, Assistant Department Director and Senior Management employees participating in any one (1) year.
 5. Each participant in Sabbatical Leave Programs shall submit to the City Manager reports summarizing his or her activities prior to final approval of such programs.
 6. Typical Sabbatical Leave Programs might include internships, on-loan executive programs, educational programs, travel-study programs, or authorship sabbaticals.

H. Administrative Leave

Each Department Director, Assistant Department Director and Senior Management employee will be granted up to 120 hours of Administrative Leave each calendar year pursuant to the following:

Administrative Leave shall be granted in recognition of overtime work and the nature of the work performance and expectations placed upon Department Director, Assistant Department Director and Senior Management employees. Administrative Leave shall be approved by the employee's supervisor noting the needs of the department and the necessity of having personnel available for the effective functioning of the department.

A Department Director, Assistant Department Director and Senior Management employee, upon request in December of each year, will receive cash payment for up to 80 hours of administrative leave for that

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~~Department Director, Assistant Department Director and Senior Management Employees~~

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calendar year. If the employee still has unused leave after the 80 hour maximum cash out then whatever amount of leave is left, will rollover to the next calendar year and the City will grant an additional number of hours to get the employee's administrative leave balance for that calendar year up to the maximum of 120 hours, per California Labor Code Section ~~227.3~~ 227.3.

I. Miscellaneous Paid Leave

The City Manager may approve additional paid leave (including benefits) under certain conditions including: administrative investigations, continuous employee's absence if caused by an injury on duty, employee sick leave exhaustion, certain disciplinary procedures and other situations as deemed appropriate by the City Manager in the best interests of the City ~~as detailed in an Administrative Regulation approved by the City Manager.~~

~~VII~~ V. INSURANCE PROGRAMS

As of January 1, 2010, the provisions of this Section V shall no longer be applicable to Department Directors, Assistant Department Directors, and Senior Management Employees. To the extent this Section V is specifically made applicable to Councilmembers and the City Treasurer by the terms of the City Council and City Treasurer Compensation Plan, it shall continue to be applicable to them.

A. Medical Insurance

The City shall provide a medical ~~health~~ insurance program to Department Director, Assistant Department Director and Senior Management employees, the cost of which shall be borne by the City. The City shall also provide a medical ~~health~~ insurance program for City Councilmembers and City Treasurer (~~as set forth in Article I.~~) to the extent required by the terms of the City Council and City Treasurer Compensation Plan during their terms of office, the cost of which shall be borne by the City. The cost of the coverage may vary, contingent upon the number of dependents claimed. Insurance coverage is effective the first day of the month following the 30 day waiting period.

In the event an employee is on leave without pay as a result of an illness or injury and has exhausted 50% of vacation leave and all sick leave credit and all City Manager granted leave per Section ~~VI~~ IV(D) of this Plan, the City shall pay the ~~health~~ medical insurance premium of an employee and

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dependents coverage to the limit of one month's coverage for each full year of said employee's City services.

The City shall pay, at the rate set forth below, the premium for employees and dependents, if any, for ~~hospital and~~ medical benefits during the continuous periods of an employee's unpaid absence if caused by an injury or job related illness while on duty. The ~~schedule of~~ payment shall be at the rate of one month's premium contribution for each year of service or major portion thereof.

The City's present medical insurance plan is the CalPERS medical insurance plan.

The payment of benefits toward this medical insurance program will be through the administration of a flexible benefit (cafeteria plan) package. The City shall pay the minimum required under Government Code Section 22892 (b)(1)(E) or its successor on behalf of each participant in this program. A participant is defined as 1) any current employee and dependents, 2) an enrolled retiree and dependents, and 3) a surviving annuitant. In addition to the minimum payment required under Government Code Section 22892 (b)(1)(E) or its successor, flexible benefits shall be provided as follows:

- ~~1)~~1. For active Department Director, Assistant Department Director and Senior Management employees, the City shall pay the difference between the minimum required under Government Code Section 22892 (b)(1)(E) or its successor and the actual cost of medical insurance premiums up to the full family coverage of the ~~PERSCare~~PERS Care Plan.
- ~~2)~~2. For employees retiring (service retirement only) from the City of Beverly Hills after July 1, 1981, with the exception of those employees hired or promoted as a Department Director, Assistant Department Director and/or a Senior Management employee or equivalent former position on or after December 2, 1997, the City shall continue to pay the difference between the minimum required under Government Code Section 22892 (b)(1)(E) or its successor and the actual cost of medical insurance premiums up to the two party rate of the PERS Care Plan under CalPERS. In the event of the death of a retired employee, the City shall continue to pay the single party coverage rate of the PERS Care Plan under PERS for the spouse or registered domestic partner.

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~~3)~~ 3. For employees hired or promoted as a Department Director, Assistant Department Director and/or a Senior Management employee on or after December 2, 1997, the retiree ~~health insurance benefit shall be as follows:~~ medical insurance benefit shall be as follows:

a. Employee must complete a minimum of 5 years of full time employment with the City of Beverly Hills; and

b. Receive a service retirement from the City of Beverly Hills; and

~~a) Employee must complete a minimum of 5 years of full time employment with the City of Beverly Hills; and~~

~~b) Receive a service retirement from the City of Beverly Hills; and~~

~~c)~~ c. Remain continuously retired from the City of Beverly Hills without reinstatement to active status with PERS. To remain eligible for this benefit, an employee cannot work for another PERS contracting agency and make contributions to PERS to enhance his/her retirement.

For retirees meeting these conditions, the City shall continue to pay the difference between the minimum required under Government Code Section 22892 (b)(1)(E) or its successor and the actual cost of medical insurance up to the two-party rate of the ~~PERSCare~~ PERS Care plan under PERS at the following rate:

i) The City will pay 25% of the cost of the insurance premium for employees beginning after their 5th anniversary of service with the City of Beverly Hills.

ii) In addition to the 25% cited in Section (i) above, the City will also pay 5% of the cost of the ~~PERSCare~~ PERS Care two party insurance premium for each additional year of employee service with the City of Beverly Hills up to 100%.

~~4)~~ 4. With the concurrence of the City Manager, if an employee is hired in the Department Director, Assistant Department Director and Senior Management group on or after December 2, 1997, and has previously retired from active status from an agency served by PERS; and is within the first five years of service as a full-time permanent employee with the City of Beverly Hills; and was entitled

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to and receiving retiree medical benefits equal to the agency paying at least 25 percent of the premium for medical insurance for the employee; and that employee retires or separates from city service for any reason involving incapacitation or an inability to perform the duties of this employee's position (expressly excludes but is not limited to voluntary retirement prior to the employee's fifth anniversary of employment with the City of Beverly Hills and retirement in lieu of termination) then this employee shall be eligible for the benefit outlined in 3.a. Specifically, the City shall pay 25% of the cost of medical insurance premiums equal to the difference between the minimum required under Government Code Section 22892 (b)(1)(E) or its successor and the actual cost of medical insurance up to the two-party rate of the ~~PERSCare~~PERS Care plan under PERS.

~~5) City Council members and City Treasurer, at the time of retiring or leaving office, or any time thereafter, may purchase at their sole cost and expense, medical insurance coverage through PERS as allowed by the Government Code and the Public Employees Retirement System.~~

B. Dental Insurance

The City shall provide aone or more dental insurance plan(s) to active Department Director, Assistant Department Director and Senior Management employees, the cost of which shall be borne by the City. The cost of the coverage may vary, contingent upon the number of dependents and/or spouse or domestic partner enrolled. Upon retirement, Department Director, Assistant Department Director and Senior Management employees can continue in the City's dental plan, at their own expense to the extent and subject to the terms and conditions of the then-applicable plan document. The City reserves the right to modify or discontinue retiree dental based on availability, market conditions and other factors.

C. Life Insurance

Department Director, Assistant Department Director and Senior Management employees shall be entitled to a three hundred thousand dollar (\$300,000) term life insurance policy under the City's life insurance program. The full premium for such policy shall be paid for by the City under the life insurance program of its choosing. Each such employee shall

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have the option to purchase additional life insurance at the City's unit cost, if available.

D. Disability Insurance

The City shall ~~offer, at employees' taxable expense, long term disability insurance for Department Director, Assistant Department Director and Senior Management employees. This benefit shall be mandatory for each employee in the Department Director, Assistant Department Director and Senior Management group and is a reimbursable expense by the City. The amount reimbursed by the City shall be shown as taxable income to the employee.~~ provide, at employees' taxable expense, long-term disability insurance for Department Director, Assistant Department Director and Senior Management employees. This benefit shall be mandatory for each Department Director, Assistant Department Director and Senior Management employee. The disability plan will pay two thirds (66%) of the employee's base pay, up to a maximum of \$10,000 per month with a 90-day disability wait period.

E. Disability Leave - Extended Disability Base Pay and Benefits Continuance

The City shall provide to each Department Director, Assistant Department Director and Senior Management employee extended disability base pay and ~~benefit~~ benefits (less legally required deductions) continuance in the event that an eligible employee sustains an injury or illness causing long term disability. This continuance shall be up to 90 days, as approved by the City Manager at his/her sole discretion, upon recommendation from the ~~Risk Management and Human Resources Divisions~~ Administrative Services Department Director.

After this period, or upon the commencement of disability benefits from insurance provided pursuant to subsection D above, whichever occurs first, the City's Extended Disability Base Pay and Benefits Continuance shall stop. To qualify for this pay and benefits continuance, an employee must notify the ~~Human Resources~~ Risk Management Division in writing immediately upon becoming aware that an injury or illness may result in a long term disability. ~~Human Resources~~ Risk Management Division, in consultation with the ~~Risk Management~~ Human Resources Division, will contact the employee's physicians and medical treatment centers as may be appropriate to determine the severity and scope of injury/illness and probable length of absence of the employee. The employee must also make himself or herself available for examination by a City appointed physician (at City expense). The employee must file for disability insurance

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~~Department Director, Assistant Department Director and Senior Management Employees~~

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within the prescribed insurance required time-lines and provide the City with a written statement from a physician, satisfactory to the ~~Assistant Director of Administrative Services-Human Resources after consultation with the Risk Management Division~~ Risk Manager, detailing the employee's injury or illness and recommending disability leave.

No Extended Disability Base Pay and Benefits Continuance shall be granted for employees if they do not follow the procedures as set forth in this section or do not qualify for disability insurance.

Employees covered under this program shall not receive a monetary amount greater than they would normally receive if they had been working under normal conditions. Any disability indemnity received by the employee from the State of California for the purpose of insuring a weekly or monthly income as the result of the same work incurred injury for which the employee is receiving ~~extended disability base pay and benefits continuance~~ Extended Disability Base Pay and Benefits Continuance from the City shall be paid to the City.

F. Optical Insurance

The City shall provide ~~an~~ one or more optical/~~vision~~ insurance plan(s) to active Department Director, Assistant Department Director and Senior Management employees, the cost of which shall be borne by the City. The cost of the coverage may vary, contingent upon the number of dependents and/or spouse or domestic partner enrolled. Upon retirement, Department Director, Assistant Department Director and Senior Management employees can continue in the City's ~~dental plan~~ optical plan, at their own expense to the extent and subject to the terms and conditions of the then-applicable plan document. The City reserves the right to modify ~~or~~ or discontinue the retiree ~~optical/vision plan~~ optical plan based on availability, market conditions and other factors.

VI. FLEXIBLE BENEFITS (CAFETERIA) PLAN

As of January 1, 2010, the provisions of this Section VI shall be applicable to Department Directors, Assistant Department Directors, and Senior Management Employees.

As part of an enhancement of the City's Flexible Benefits (Cafeteria) Plan, as of January 1, 2010, the City shall pay the PERS statutory minimum on behalf of each participant in this program. A participant is defined as 1) any current

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~~Department Director, Assistant Department Director and Senior Management Employees~~

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employee and dependents, 2) an enrolled retiree and dependents, and 3) a surviving annuitant. The City shall provide a monthly benefit contribution (which shall include the PERS statutory minimum) to each Department Director, Assistant Department Director and Senior Management employee to use to pay for employee selected I.R.S. qualified benefits as detailed in this Section. The amount of the monthly benefit will be determined by the City Manager on an annual basis once the enhanced plan begins. If after selection of the various I.R.S. qualified benefits as detailed in this section, an employee has benefit contribution left over, they shall receive, in a taxable cash payment added to their bi-weekly payroll, that amount as determined by the City Manager. If an employee "spends" more than what is allocated by the City in their Flexible Benefits (Cafeteria) Plan monthly allotment, the difference shall be deducted from that employee's pay on a bi-monthly basis.

The various I.R.S. qualified benefits offered by the City are as follows:

A. Medical Insurance

The City shall provide a medical insurance program to Department Director, Assistant Department Director and Senior Management employees. The cost of the coverage may vary, contingent upon the number of dependents claimed. Insurance coverage is effective the first day of the month following the 30 day waiting period.

In the event a Department Director, Assistant Department Director and Senior Management employee is on leave without pay as a result of an illness or injury and has exhausted 50% of vacation leave and all sick leave credit and all City Manager granted leave per Section IV(l) of this Plan, the City shall pay the employee's applicable cafeteria plan contribution amount for one month for each full year of said employee's City services or major portion thereof.

The City shall pay, at the rate set forth below, the applicable cafeteria plan contribution amount for Department Director, Assistant Department Director and Senior Management employees and dependents, if any, during the continuous periods of an employee's unpaid absence if caused by an injury or job related illness while on duty. The payment shall be at the rate of one month's applicable cafeteria plan contribution for each full year of said employee's City services or major portion thereof.

The City's present medical insurance plan is the CalPERS medical insurance plan.

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~~Department Director, Assistant Department Director and Senior Management Employees~~

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B. Dental Insurance

The City shall provide a choice of two dental insurance plans to Department Director, Assistant Department Director and Senior Management employees. The cost of the coverage may vary, contingent upon the number of dependents and/or spouse or domestic partner enrolled and the level of plan services.

C. Optical Insurance

The City shall provide an optical insurance plan to Department Director, Assistant Department Director and Senior Management employees. The cost of the coverage may vary, contingent upon the number of dependents and/or spouse or domestic partner enrolled.

VII. OTHER BENEFITS

As of January 1, 2010, the provisions of this Section VII shall be applicable to Department Directors, Assistant Department Directors, and Senior Management Employees.

A. Life Insurance

Department Director, Assistant Department Director and Senior Management employees shall be entitled to a three hundred thousand dollar (\$300,000) term life insurance policy under the City's life insurance program. The premium for such policy shall be paid for by the City under the life insurance program of its choosing. Each such employee shall have the option to purchase additional life insurance at the City's unit cost, if available.

B. Disability Insurance

The City shall offer, at employees' taxable expense, long term disability insurance for Department Director, Assistant Department Director and Senior Management employees. This benefit shall be mandatory for each Department Director, Assistant Department Director and Senior Management employee. The disability plan will pay two thirds (66%) of the employee's base pay, up to a maximum of \$10,000 per month with a 90-day disability wait period.

C. Disability Leave - Extended Disability Base Pay and Benefits Continuance

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Department Director, Assistant Department Director and Senior Management Employees

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The City shall provide to each Department Director, Assistant Department Director and Senior Management employee extended disability base pay and benefit (less legally required deductions) continuance in the event that an eligible employee sustains an injury or illness causing long term disability. This continuance shall be up to 90 days, as approved by the City Manager at his/her sole discretion, upon recommendation from the Risk Management and Human Resources Divisions.

After this period, or upon the commencement of disability benefits from insurance provided pursuant to subsection B above, whichever occurs first, the City's Extended Disability Base Pay and Benefits Continuance shall stop. To qualify for this pay and benefits continuance, an employee must notify the Risk Management Division in writing immediately upon becoming aware that an injury or illness may result in a long term disability. Risk Management Division, in consultation with the Human Resources Division, will contact the employee's physicians and medical treatment centers as may be appropriate to determine the severity and scope of injury/illness and probable length of absence of the employee. The employee must also make himself or herself available for examination by a City appointed physician (at City expense). The employee must file for disability insurance within the prescribed insurance required time-lines and provide the City with a written statement from a physician, satisfactory to the Risk Manager, detailing the employee's injury or illness and recommending disability leave.

No Extended Disability Base Pay and Benefits Continuance shall be granted for employees if they do not follow the procedures as set forth in this section or do not qualify for disability insurance.

Employees covered under this program shall not receive a monetary amount greater than they would normally receive if they had been working under normal conditions. Any disability indemnity received by the employee from the State of California for the purpose of ensuring a weekly or monthly income as the result of the same work incurred injury for which the employee is receiving extended disability base pay and benefits continuance from the City shall be paid to the City.

D. Retirement Medical Benefit

1. For employees retiring (service retirement only) from the City of Beverly Hills after July 1, 1981, with the exception of those employees hired or promoted as a Department Director, Assistant Department Director and/or a Senior Management employee on or after December 2, 1997, the City shall continue to pay the difference between the PERS statutory

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minimum and the actual cost of medical insurance premiums up to the two-party rate of the PERS Care Plan under PERS. In the event of the death of a retired employee, the City shall continue to pay the difference between the PERS statutory minimum and the actual cost of medical insurance premiums up to the one-party rate of the PERS Care Plan under PERS for the spouse or registered domestic partner.

2. For employees hired or promoted as a Department Director, Assistant Department Director and/or a Senior Management employee on or after December 2, 1997, the retiree medical insurance benefit shall be as follows:

a) Employee must complete a minimum of 5 years of full time employment with the City of Beverly Hills; and

b) Receive a service retirement from the City of Beverly Hills; and

c) Remain continuously retired from the City of Beverly Hills without reinstatement to active status with PERS.

For retirees meeting these conditions, the City shall continue to pay toward the difference between the PERS statutory minimum and the actual cost of medical insurance up to the two-party rate of the PERS Care plan under PERS at the following rate:

i) The City will pay 25% of the difference between the PERS statutory minimum and the actual cost of medical insurance up to the two-party rate of the PERS Care plan.

ii) In addition to the 25% cited in Subsection (i) above, the City will also pay 5% of the difference between the PERS statutory minimum and the actual cost of medical insurance up to the two-party rate of the PERS Care plan for each year above five years of employee service with the City of Beverly Hills up to 100% of the difference. The City will not pay more than 100% of the difference.

3. With the concurrence of the City Manager, if an employee is hired in the Department Director, Assistant Department Director and Senior Management group on or after December 2, 1997, and has previously retired from active status from an agency served by PERS; and is within the first five years of service as a full-time permanent employee with the City of Beverly Hills; and was entitled

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~~Department Director, Assistant Department Director and Senior Management Employees~~

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to and receiving retiree medical benefits from another agency equal to the agency paying at least 25 percent of the premium for medical insurance for the employee; and that employee retires or separates from city service for any reason involving incapacitation or an inability to perform the duties of this employee's position (expressly excludes but is not limited to voluntary retirement prior to the employee's fifth anniversary of employment with the City of Beverly Hills and retirement in lieu of termination) then this employee shall be eligible for the benefit outlined in Subsection 2.a., above. Specifically, the City shall pay 25% of the difference between the minimum required under Government Code Section 22892 (b) or its successor and the actual cost of medical insurance up to the two-party rate of the PERS Care plan.

4. It is the City's intention to expand its retiree medical benefits by establishing a defined contribution plan to provide retiree medical benefits to employees hired or promoted as a Department Director, Assistant Department Director and/or a Senior Management employee on or after January 1, 2010. The City also intends to establish an option to permit current employees to elect to participate in the defined contribution plan for retiree health benefits.

E. Retirement Dental Benefit

Upon retirement, Department Director, Assistant Department Director and Senior Management employees can continue in the City's dental plans, at their own expense to the extent and subject to the terms and conditions of the then-applicable plan document. The City reserves the right to modify or discontinue retiree dental based on availability, market conditions and other factors.

F. Retirement Optical Benefit

Upon retirement, Department Director, Assistant Department Director and Senior Management employees can continue in the City's optical plan, at their own expense to the extent and subject to the terms and conditions of the then-applicable plan document. The City reserves the right to modify or discontinue retiree optical based on availability, market conditions and other factors.

G. Mileage Reimbursement

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~~Department Director, Assistant Department Director and Senior Management Employees~~

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Since Executive Employees are not allowed auto allowances, executive employees will be allowed a mileage reimbursement benefit, as was effective October 1, 2007. This benefit is for city related travel in an employee's private vehicle at the prevailing rate as set by the Administrative Services Department. Mileage reimbursement will begin after the employee has traveled 25 miles or more in a single day. This 25 mile exemption rule will be waived for over night training or conference travel. For example, if an employee drives 35 miles in a day on City business- that employee would be eligible for mileage reimbursement of 10 miles (35-25=10). If an employee travels to San Diego for a training session or conference and stays over night, and the employee's total mileage is 250 miles, the employee would get a mileage reimbursement of 225 miles (250-25=225). All executive employees must submit City approved forms for reimbursement. All reimbursements must be submitted no later than 3 months after the final day of travel. The Chief Financial Officer shall be responsible for administering and interpreting this benefit.

VIII. PAY FOR PERFORMANCE PROGRAM

In acknowledgement of the goals and objectives set by the City Council each fiscal year, and the level of attainment of those goals and objectives by the City Manager, the Department Directors, Assistant Department Directors and Senior Management employees, the City Manager shall implement a Pay for Performance Program (in addition to base pay) for these employees. The rules, regulations and benefits related to this plan will be detailed in an Administrative Regulation approved by the City Manager. ~~This program will be administered by the~~ The Human Resources Division of the Administrative Services Department will administer this program.

IX. UNIFORM ALLOWANCES

The Police Chief, Fire Chief, Deputy Fire Chief/~~Assistant Director~~, and Assistant Police Chief shall receive \$600.00 annual uniform allowances.

X. RETIREMENT

A. Effective ~~September 30, 2007,~~ April 1, 2008, pursuant to Government Code section 20636(c)(4), the City will pay the 8% employee's

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contribution to PERS for miscellaneous Department Director, Assistant Department Director and Senior Management employees; the City will pay the 9% employee's contribution to PERS for the Police Chief, Fire Chief, Deputy Fire Chief/~~Assistant Director~~ and Assistant Police Chief; and the City will report the monetary value of those normal contributions paid by the City on behalf of each employee (known as "employer paid member contribution") as compensation earnable.

B. The City's Retirement contract with PERS is at the 2.5% at 55 rate for miscellaneous employees and 3% at 50 for local safety employees (Police Chief, Fire Chief, Deputy Fire Chief/~~Assistant Director~~ and Assistant Police Chief).

C. 1959 Survivors ~~benefit~~Benefit

The City's contract with the Public Employees Retirement System provides for Level 4 coverage under the 1959 Survivor's Benefit.

D. The City's contract with the Public Employees Retirement System provides for Pre-Retirement Optional Settlement 2W Death Benefit as set forth in Government Code Section 21548.

E. All PERS benefits shall be provided in accord with the requirements of the Public Employees' Retirement Law, commencing at Government Code §20000, and all applicable regulations and procedures of PERS, which shall prevail in the event of conflict with the provisions of this compensation plan.

XI. SEPARATION FROM CITY SERVICE

A. Sick Leave Pay-Off

All accrued, unused sick leave earned and credited to each employee shall be the basis for determining the amount to be paid to each employee who qualifies to receive sick leave pay-off.

Department Director, Assistant Department Director and Senior Management employees who have achieved seven (7) ~~years~~ or more years of continuous ~~years of~~ service and are listed on the City's active payroll on or after July 1, ~~1982~~1982, shall be eligible for sick leave pay-off upon termination of employment with the City, in accordance with the following.

The rate of sick leave pay off shall be calculated as follows:

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- For the first 7 years - 4% of accrued, unused sick leave per full year of service.
 - For each year thereafter - 6% of accrued, unused sick leave per full year of service to a maximum of 100%.
- Sick leave pay off shall be calculated at the rate of base pay received by the employee at the time of termination. Each employee eligible to receive sick leave pay off shall receive said pay off at the time of termination.

B. Vacation and Administrative Leave Pay -Off

An employee who terminates from City service shall receive an amount equal to accrued, unused vacation at the time of termination. The rate of pay off shall be based on the rate of ~~pay~~ base pay received by the employee at the time of termination. An employee does not have the option of utilizing accrued, unused vacation in lieu of vacation pay off at time of termination.

An employee who terminates from City service shall receive ~~a pro-rated amount of administrative leave unused during the calendar year of departure at the rate of 10 hours per month up to a maximum of 80 hours.~~ an amount equal to accrued, unused Administrative Leave at the time of termination.

C. Notice of Termination/Severance

If the City determines to terminate an employee without cause (cause shall mean termination for conviction of a felony, or for malfeasance in office) the City shall provide a Department Director employee with six (6) to twelve (12) months prior notice of the termination date ; and shall provide an Assistant Department Director or a Senior Management employee with four (4) to eight (8) months prior notice of the termination date. The amount of notice within the applicable range shall be in the City Manager's discretion. In lieu of providing the notice above, the City Manager in his/her discretion may pay the employee severance (severance shall include salary and benefits) at the rate of six (6) to twelve (12) months severance for a Department Director; and four (4) to eight (8) months severance for an Assistant Department Director or a Senior Management employee. The amount of severance within the applicable range shall be in the City Manager's discretion.

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~~XI~~XII. DEFERRED COMPENSATION

A. City Contribution

The City shall contribute at least \$30.00 per month per Department Director, Assistant Department Director and Senior Management employee to the City's deferred compensation program.

B. Conversion of Sick Leave to Deferred Compensation

Department Director, Assistant Department Director and Senior Management employees may convert accumulated sick leave to base pay. The extra pay may only be used to fund "catch up" contributions to deferred compensation. The following restrictions apply to this program.

- 1) The employee shall have a minimum of 7 years of service with the City of Beverly Hills.
- 2) The individual's sick leave accrual cannot be reduced below 240 hours.
- 3) The conversion is limited to the time period allowed by the IRS for "catch-up" provisions in 457, 401(k) and other plans as adopted by the City and the conversion can be used only for funding these deferred compensation "catch-ups".
- 4) A conversion of no more than \$11,500 per employee per calendar year is allowed.
- 5) The conversion will be at the then existing sick leave payoff percentage.

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Legend:	
<u>Insertion</u>	
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Statistics:	
	Count
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Deletions	74
Moved from	7
Moved to	7
Style change	0
Format changed	0
Total changes	216

Attachment 5

Revised Executive Employee Compensation Plan



EXECUTIVE EMPLOYEE COMPENSATION PLAN

I. CITY MANAGER RESPONSIBILITIES AND AUTHORITY

The City Manager, as chief administrative officer of the City, and with responsibility for all employees not appointed by the City Council, is responsible for the administration and implementation of this compensation plan and has the authority to make changes to this plan that stay within appropriated funds for salaries and benefits (plus city manager purchasing authority- providing that these changes do not impact the City Manager's contract) as approved by the City Council during each fiscal year.

The City Manager has authority to set base pay rates for the positions included in this plan and these salaries shall not exceed a rate of 2% below the City Manager's monthly base pay. The City Manager (or designate) shall be responsible for determining the specific base pay paid to each position based upon qualifications and performance.

The City Manager is responsible for attracting and hiring the very best candidates to fill Department Director, Assistant Department Director and Senior Management positions with the City. Pursuant to Beverly Hills Municipal Code 2-3-101.J, the City Council authorizes the City Manager to negotiate and approve multi-year employment agreements (without regard to Level 3 contract limits) for wages and benefits as well as grant and/or advance vacation, sick leave, and administrative leave hours or other benefits similar to those contained in this Plan, based upon benefits and years of service coinciding with prior service in other jurisdiction(s) or upon prevailing market conditions.

II. DEPARTMENT DIRECTOR, ASSISTANT DEPARTMENT DIRECTOR AND SENIOR MANAGEMENT EMPLOYEE LEVELS

There shall be three levels of employees affected by this Compensation Plan. They are classified as: Department Director, Assistant Department Director and Senior Management. The positions within each classification are as follows:

Department Director

AW	Assistant City Manager
AO	Chief Financial Officer/Administrative Services Director
AG	Chief Information Officer
AY	Chief of Police
AK	Community Development Director
AR	Community Services Director
AV	Fire Chief

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FW Public Works and Transportation Director

Assistant Department Director

MB Assistant Chief Information Officer
AJ Assistant Director of Administrative Services /Finance
AP Assistant Director of Administrative Services /Human Resources
AI Assistant Director of Community Development/Building & Safety
BF Assistant Director of Community Development/City Planner
AE Assistant Director of Community Services/Library Services
CH Assistant Director of Community Services/Recreation & Park
AX Assistant Director of Public Works and Transportation/City
Engineer
AY Assistant Police Chief
AL Deputy City Manager
AC Deputy Fire Chief

Senior Management

LI Assistant City Clerk
CW Deputy City Engineer
CY Deputy Director of Public Works and Transportation/Transportation
AB Emergency Management Director
CU Budget and Management Officer
CZ Project Administration Director
BR Maintenance Operations Manager
BD Risk Manager
WG Economic Development and Marketing Director
VU Environmental Utilities Manager
WW Parking Operations Director
DL Training and Organizational Development Manager
XI Division Commander (Police Department)

The City Manager may make appointments within the prescribed levels of management for any position upon evaluation of employee qualifications and job responsibilities.

III. MANAGEMENT COMPENSATION PAY

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Department Director, Assistant Department Director and Senior Management employees shall be entitled to special Management Compensation Pay above their base pay, at rates established by the City Manager.

IV. LEAVES

A. Holidays

Department Director, Assistant Department Director and Senior Management employees shall be entitled to the following paid holidays if said employee worked the regularly assigned work period the day before and the day after the holiday or was absent on authorized paid leave during said period:

New Year's Day	January 1
Martin Luther King Day	3rd Monday in January
Presidents' Day	3rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Veterans' Day	November 11
Thanksgiving Day	Fourth Thursday in November
Day after Thanksgiving	Day after 4th Thursday in November
Christmas Day	December 25

If the following holidays (January 1, July 4, November 11, and December 25) fall on a Saturday, the preceding Friday shall be considered the holiday; if the holiday falls on Sunday, the following Monday shall be considered the holiday.

B. Personal Holiday

Department Director, Assistant Department Director and Senior Management employees shall be entitled to two paid personal holidays each calendar year. Said holidays may be taken at the employees' discretion subject to their supervisor's approval. Employees are encouraged to use said personal holidays during the year they are accrued. Employees may not have more than two personal holidays on the books at any time. If at the end of a calendar year, an employee still has personal holidays on the books, for the following calendar year, the employee will receive only that amount of personal holidays that will bring the balance to two personal holidays, in accordance with California Labor Code Section 227.3. Personal holidays cannot be cashed out at the end of the year.

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C. Vacations

1. Authorization for Taking Vacation

Upon approval of their supervisor, employees may take accrued vacation leave. The City Manager may advance a newly hired Department Director, Assistant Department Director and/or Senior Management employee's vacation accrual rate based upon years of service coinciding with prior years of service in other jurisdiction (s) and based upon prevailing market conditions.

2. Holidays During Vacations

When a holiday falls within an employee's vacation leave, the leave time shall be extended or credited by the amount of the holiday time.

3. Vacation Accumulation

Vacation credit shall be accrued biweekly to Department Director, Assistant Department Director and Senior Management employees at the following rates:

<u>FIRST YEAR OF SERVICE</u>	<u>BEGINNING THE 2ND YEAR OF SERVICE</u>	<u>AFTER 14 YEARS OF SERVICE</u>
3.07 Hours Bi-weekly	4.60 Hours Bi-weekly	6.13 Hours Bi-weekly
80 hours/yr	120 hours/yr	160 hours/yr

Department Director, Assistant Department Director and Senior Management employees may accumulate accrued vacation up to a maximum of 240 hours, plus the current year's accruals.

In December of each calendar year, upon the employee's request, an employee with 240 hours or more of accumulated vacation can receive cash payment for up to 80 vacation hours earned but not taken during the calendar year.

D. Sick Leave

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Every Department Director, Assistant Department Director and Senior Management employee shall accrue eight (8) hours of sick leave per month.

1. Job Connected Disability

Except as provided herein, no employee shall be entitled to use accumulated sick leave during any period for which he/she is entitled to receive temporary disability indemnity under Division 4 (Section 3201, et. seq.) of the California Labor Code. Any employee (except members of the Fire and Police Service entitled to the industrial leave benefits of Section 4850 of the California Labor Code) entitled to receive such temporary disability indemnity may elect (for a period not to exceed twelve (12) months after he/she first makes such election) to use as much of his/her accumulated sick leave or accumulated vacation, so when added to his/her temporary disability indemnity will result in a payment to him/her of not more than full base pay or wage.

2. Sick Leave Incentive

Department Director, Assistant Department Director and Senior Management employees, who accumulate 72 hours or more of sick leave that was accrued in any payroll year, may convert up to 24 hours of sick leave to cash during the month of January of the following year. The limit of payment shall be 24 hours per year.

E. Bereavement Leave

Bereavement leave is an absence occasioned by the death of a family member of the employee.

Forty (40) hours of bereavement leave, per calendar year, may be used in the event of the death of a family member, herein defined as a spouse, registered domestic partner, parent, brother, sister, child, grandparent, in-law, or parent of registered domestic partner of the employee. In the event an employee needs additional time off for this leave, he/she may use up to 40 hours of sick leave per calendar year.

Requests for bereavement leave shall be made in writing, when feasible, and shall be approved by the Department Head in consultation with the Assistant Director of Administrative Services-Human Resources. In the event the emergency required the presence of employee, and he/she could not prospectively make a request, subsequent approval must still be obtained in writing.

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F. Witness and Jury Leave

Any employee who is required to serve as a witness pursuant to a lawful subpoena in any judicial or quasi judicial proceeding or who is required to serve as a juror, shall be allowed time off without loss of pay to perform such duties. In addition, per California Labor Code section 230(b), an employee shall be allowed time off but with loss of pay, if the employee is a party to the matter for reasons other than actions within the scope of the employee's current or past public employment. All fees to which the employee is entitled by law for such service shall be paid (less transportation allowance, if any) to the City. This section is not applicable to those employees participating in judicial or quasi-judicial proceedings that are within the scope of their employment.

Upon receipt of a jury summons, employees should notify their Department Head so that the request for jury duty can be considered relative to the pending projects of the department. This notification will give the Department Head and the employee's supervisor an opportunity to discuss whether or not a postponement is necessary.

G. Professional Development Program

1. Department Director, Assistant Department Director and Senior Management employees are eligible for this program.

A City paid leave of absence (sabbatical leave) program shall be established with the following privileges and restrictions:

The granting of sabbatical leaves shall be at the discretion of the City Manager.

2. Approval of requests for sabbatical leave shall be based on the following criteria:
 - a. Content of a leave program with a basic requirement that the program be designed to professionally develop the employee in a manner potentially beneficial to his or her City employment.
 - b. A plan for maintaining work continuity of the employee's duties and responsibilities during his or her absence, with emphasis placed on development of subordinates through training assignments.
 - c. Coordination with departmental priorities and workload.

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- d. Employee's performance record.
3. Sabbatical leaves may allow up to Five Hundred Dollars (\$500) for expenses.
4. Sabbatical leaves shall be restricted to one (1) leave up to ninety (90) calendar days, for each Department Director, Assistant Department Director and Senior Management employee each five (5) years with not more than three (3) Department Director, Assistant Department Director and Senior Management employees participating in any one (1) year.
5. Each participant in Sabbatical Leave Programs shall submit to the City Manager reports summarizing his or her activities prior to final approval of such programs.
6. Typical Sabbatical Leave Programs might include internships, on-loan executive programs, educational programs, travel-study programs, or authorship sabbaticals.

H. Administrative Leave

Each Department Director, Assistant Department Director and Senior Management employee will be granted up to 120 hours of Administrative Leave each calendar year pursuant to the following:

Administrative Leave shall be granted in recognition of overtime work and the nature of the work performance and expectations placed upon Department Director, Assistant Department Director and Senior Management employees. Administrative Leave shall be approved by the employee's supervisor noting the needs of the department and the necessity of having personnel available for the effective functioning of the department.

A Department Director, Assistant Department Director and Senior Management employee, upon request in December of each year, will receive cash payment for up to 80 hours of administrative leave for that calendar year. If the employee still has unused leave after the 80 hour maximum cash out then whatever amount of leave is left, will rollover to the next calendar year and the City will grant an additional number of hours to get the employee's administrative leave balance for that calendar year up to the maximum of 120 hours, per California Labor Code Section 227.3.

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I. Miscellaneous Paid Leave

The City Manager may approve additional paid leave (including benefits) under certain conditions including: administrative investigations, continuous employee's absence if caused by an injury on duty, employee sick leave exhaustion, certain disciplinary procedures and other situations as deemed appropriate by the City Manager in the best interests of the City.

V. INSURANCE PROGRAMS

As of January 1, 2010, the provisions of this Section V shall no longer be applicable to Department Directors, Assistant Department Directors, and Senior Management Employees. To the extent this Section V is specifically made applicable to Councilmembers and the City Treasurer by the terms of the City Council and City Treasurer Compensation Plan, it shall continue to be applicable to them.

A. Medical Insurance

The City shall provide a medical insurance program to Department Director, Assistant Department Director and Senior Management employees, the cost of which shall be borne by the City. The City shall also provide a medical insurance program for City Councilmembers and City Treasurer (to the extent required by the terms of the City Council and City Treasurer Compensation Plan) during their terms of office, the cost of which shall be borne by the City. The cost of the coverage may vary, contingent upon the number of dependents claimed. Insurance coverage is effective the first day of the month following the 30 day waiting period.

In the event an employee is on leave without pay as a result of an illness or injury and has exhausted 50% of vacation leave and all sick leave credit and all City Manager granted leave per Section IV(I) of this Plan, the City shall pay the medical insurance premium of an employee and dependents coverage to the limit of one month's coverage for each full year of said employee's City services.

The City shall pay, at the rate set forth below, the premium for employees and dependents, if any, for medical benefits during the continuous periods of an employee's unpaid absence if caused by an injury or job related illness while on duty. The payment shall be at the rate of one month's premium contribution for each year of service or major portion thereof.

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The City's present medical insurance plan is the CalPERS medical insurance plan.

The payment of benefits toward this medical insurance program will be through the administration of a flexible benefit (cafeteria plan) package. The City shall pay the minimum required under Government Code Section 22892 (b)(1)(E) or its successor on behalf of each participant in this program. A participant is defined as 1) any current employee and dependents, 2) an enrolled retiree and dependents, and 3) a surviving annuitant. In addition to the minimum payment required under Government Code Section 22892 (b)(1)(E) or its successor, flexible benefits shall be provided as follows:

1. For active Department Director, Assistant Department Director and Senior Management employees, the City shall pay the difference between the minimum required under Government Code Section 22892 (b)(1)(E) or its successor and the actual cost of medical insurance premiums up to the full family coverage of the PERS Care Plan.
2. For employees retiring (service retirement only) from the City of Beverly Hills after July 1, 1981, with the exception of those employees hired or promoted as a Department Director, Assistant Department Director and/or a Senior Management employee or equivalent former position on or after December 2, 1997, the City shall continue to pay the difference between the minimum required under Government Code Section 22892 (b)(1)(E) or its successor and the actual cost of medical insurance premiums up to the two party rate of the PERS Care Plan under CalPERS. In the event of the death of a retired employee, the City shall continue to pay the single party coverage rate of the PERS Care Plan under PERS for the spouse or registered domestic partner.
3. For employees hired or promoted as a Department Director, Assistant Department Director and/or a Senior Management employee on or after December 2, 1997, the retiree medical insurance benefit shall be as follows:
 - a. Employee must complete a minimum of 5 years of full time employment with the City of Beverly Hills; and
 - b. Receive a service retirement from the City of Beverly Hills; and

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- c. Remain continuously retired from the City of Beverly Hills without reinstatement to active status with PERS. To remain eligible for this benefit, an employee cannot work for another PERS contracting agency and make contributions to PERS to enhance his/her retirement.

For retirees meeting these conditions, the City shall continue to pay the difference between the minimum required under Government Code Section 22892 (b)(1)(E) or its successor and the actual cost of medical insurance up to the two-party rate of the PERS Care plan under PERS at the following rate:

- i) The City will pay 25% of the cost of the insurance premium for employees beginning after their 5th anniversary of service with the City of Beverly Hills.
 - ii) In addition to the 25% cited in Section (i) above, the City will also pay 5% of the cost of the PERS Care two party insurance premium for each additional year of employee service with the City of Beverly Hills up to 100%.
4. With the concurrence of the City Manager, if an employee is hired in the Department Director, Assistant Department Director and Senior Management group on or after December 2, 1997, and has previously retired from active status from an agency served by PERS; and is within the first five years of service as a full-time permanent employee with the City of Beverly Hills; and was entitled to and receiving retiree medical benefits equal to the agency paying at least 25 percent of the premium for medical insurance for the employee; and that employee retires or separates from city service for any reason involving incapacitation or an inability to perform the duties of this employee's position (expressly excludes but is not limited to voluntary retirement prior to the employee's fifth anniversary of employment with the City of Beverly Hills and retirement in lieu of termination) then this employee shall be eligible for the benefit outlined in 3.a. Specifically, the City shall pay 25% of the cost of medical insurance premiums equal to the difference between the minimum required under Government Code Section 22892 (b)(1)(E) or its successor and the actual cost of medical insurance up to the two-party rate of the PERS Care plan under PERS.

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B. Dental Insurance

The City shall provide one or more dental insurance plan(s) to active Department Director, Assistant Department Director and Senior Management employees, the cost of which shall be borne by the City. The cost of the coverage may vary, contingent upon the number of dependents and/or spouse or domestic partner enrolled. Upon retirement, Department Director, Assistant Department Director and Senior Management employees can continue in the City's dental plan, at their own expense to the extent and subject to the terms and conditions of the then-applicable plan document. The City reserves the right to modify or discontinue retiree dental based on availability, market conditions and other factors.

C. Life Insurance

Department Director, Assistant Department Director and Senior Management employees shall be entitled to a three hundred thousand dollar (\$300,000) term life insurance policy under the City's life insurance program. The full premium for such policy shall be paid for by the City under the life insurance program of its choosing. Each such employee shall have the option to purchase additional life insurance at the City's unit cost, if available.

D. Disability Insurance

The City shall provide, at employees' taxable expense, long-term disability insurance for Department Director, Assistant Department Director and Senior Management employees. This benefit shall be mandatory for each Department Director, Assistant Department Director and Senior Management employee. The disability plan will pay two thirds (66%) of the employee's base pay, up to a maximum of \$10,000 per month with a 90-day disability wait period.

E. Disability Leave - Extended Disability Base Pay and Benefits Continuance

The City shall provide to each Department Director, Assistant Department Director and Senior Management employee extended disability base pay and benefits (less legally required deductions) continuance in the event that an eligible employee sustains an injury or illness causing long term disability. This continuance shall be up to 90 days, as approved by the City Manager at his/her sole discretion, upon recommendation from the Administrative Services Department Director.

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After this period, or upon the commencement of disability benefits from insurance provided pursuant to subsection D above, whichever occurs first, the City's Extended Disability Base Pay and Benefits Continuance shall stop. To qualify for this pay and benefits continuance, an employee must notify the Risk Management Division in writing immediately upon becoming aware that an injury or illness may result in a long term disability. Risk Management Division, in consultation with the Human Resources Division, will contact the employee's physicians and medical treatment centers as may be appropriate to determine the severity and scope of injury/illness and probable length of absence of the employee. The employee must also make himself or herself available for examination by a City appointed physician (at City expense). The employee must file for disability insurance within the prescribed insurance required time-lines and provide the City with a written statement from a physician, satisfactory to the Risk Manager, detailing the employee's injury or illness and recommending disability leave.

No Extended Disability Base Pay and Benefits Continuance shall be granted for employees if they do not follow the procedures as set forth in this section or do not qualify for disability insurance.

Employees covered under this program shall not receive a monetary amount greater than they would normally receive if they had been working under normal conditions. Any disability indemnity received by the employee from the State of California for the purpose of insuring a weekly or monthly income as the result of the same work incurred injury for which the employee is receiving Extended Disability Base Pay and Benefits Continuance from the City shall be paid to the City.

F. Optical Insurance

The City shall provide one or more optical insurance plan(s) to active Department Director, Assistant Department Director and Senior Management employees, the cost of which shall be borne by the City. The cost of the coverage may vary, contingent upon the number of dependents and/or spouse or domestic partner enrolled. Upon retirement, Department Director, Assistant Department Director and Senior Management employees can continue in the City's optical plan, at their own expense to the extent and subject to the terms and conditions of the then-applicable plan document. The City reserves the right to modify or discontinue the retiree optical plan based on availability, market conditions and other factors.

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VI. FLEXIBLE BENEFITS (CAFETERIA) PLAN

As of January 1, 2010, the provisions of this Section VI shall be applicable to Department Directors, Assistant Department Directors, and Senior Management Employees.

As part of an enhancement of the City's Flexible Benefits (Cafeteria) Plan, as of January 1, 2010, the City shall pay the PERS statutory minimum on behalf of each participant in this program. A participant is defined as 1) any current employee and dependents, 2) an enrolled retiree and dependents, and 3) a surviving annuitant. The City shall provide a monthly benefit contribution (which shall include the PERS statutory minimum) to each Department Director, Assistant Department Director and Senior Management employee to use to pay for employee selected I.R.S. qualified benefits as detailed in this Section. The amount of the monthly benefit will be determined by the City Manager on an annual basis once the enhanced plan begins. If after selection of the various I.R.S. qualified benefits as detailed in this section, an employee has benefit contribution left over, they shall receive, in a taxable cash payment added to their bi-weekly payroll, that amount as determined by the City Manager. If an employee "spends" more than what is allocated by the City in their Flexible Benefits (Cafeteria) Plan monthly allotment, the difference shall be deducted from that employee's pay on a bi-monthly basis.

The various I.R.S. qualified benefits offered by the City are as follows:

A. Medical Insurance

The City shall provide a medical insurance program to Department Director, Assistant Department Director and Senior Management employees. The cost of the coverage may vary, contingent upon the number of dependents claimed. Insurance coverage is effective the first day of the month following the 30 day waiting period.

In the event a Department Director, Assistant Department Director and Senior Management employee is on leave without pay as a result of an illness or injury and has exhausted 50% of vacation leave and all sick leave credit and all City Manager granted leave per Section IV(I) of this Plan, the City shall pay the employee's applicable cafeteria plan contribution amount for one month for each full year of said employee's City services or major portion thereof.

The City shall pay, at the rate set forth below, the applicable cafeteria plan contribution amount for Department Director, Assistant Department Director and Senior Management employees and dependents, if any, during the

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continuous periods of an employee's unpaid absence if caused by an injury or job related illness while on duty. The payment shall be at the rate of one month's applicable cafeteria plan contribution for each full year of said employee's City services or major portion thereof.

The City's present medical insurance plan is the CalPERS medical insurance plan.

B. Dental Insurance

The City shall provide a choice of two dental insurance plans to Department Director, Assistant Department Director and Senior Management employees. The cost of the coverage may vary, contingent upon the number of dependents and/or spouse or domestic partner enrolled and the level of plan services.

C. Optical Insurance

The City shall provide an optical insurance plan to Department Director, Assistant Department Director and Senior Management employees. The cost of the coverage may vary, contingent upon the number of dependents and/or spouse or domestic partner enrolled.

VII. OTHER BENEFITS

As of January 1, 2010, the provisions of this Section VII shall be applicable to Department Directors, Assistant Department Directors, and Senior Management Employees.

A. Life Insurance

Department Director, Assistant Department Director and Senior Management employees shall be entitled to a three hundred thousand dollar (\$300,000) term life insurance policy under the City's life insurance program. The premium for such policy shall be paid for by the City under the life insurance program of its choosing. Each such employee shall have the option to purchase additional life insurance at the City's unit cost, if available.

B. Disability Insurance

The City shall offer, at employees' taxable expense, long term disability insurance for Department Director, Assistant Department Director and Senior Management employees. This benefit shall be mandatory for each

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Department Director, Assistant Department Director and Senior Management employee. The disability plan will pay two thirds (66%) of the employee's base pay, up to a maximum of \$10,000 per month with a 90-day disability wait period.

C. Disability Leave - Extended Disability Base Pay and Benefits Continuance

The City shall provide to each Department Director, Assistant Department Director and Senior Management employee extended disability base pay and benefit (less legally required deductions) continuance in the event that an eligible employee sustains an injury or illness causing long term disability. This continuance shall be up to 90 days, as approved by the City Manager at his/her sole discretion, upon recommendation from the Risk Management and Human Resources Divisions.

After this period, or upon the commencement of disability benefits from insurance provided pursuant to subsection B above, whichever occurs first, the City's Extended Disability Base Pay and Benefits Continuance shall stop. To qualify for this pay and benefits continuance, an employee must notify the Risk Management Division in writing immediately upon becoming aware that an injury or illness may result in a long term disability. Risk Management Division, in consultation with the Human Resources Division, will contact the employee's physicians and medical treatment centers as may be appropriate to determine the severity and scope of injury/illness and probable length of absence of the employee. The employee must also make himself or herself available for examination by a City appointed physician (at City expense). The employee must file for disability insurance within the prescribed insurance required time-lines and provide the City with a written statement from a physician, satisfactory to the Risk Manager, detailing the employee's injury or illness and recommending disability leave.

No Extended Disability Base Pay and Benefits Continuance shall be granted for employees if they do not follow the procedures as set forth in this section or do not qualify for disability insurance.

Employees covered under this program shall not receive a monetary amount greater than they would normally receive if they had been working under normal conditions. Any disability indemnity received by the employee from the State of California for the purpose of ensuring a weekly or monthly income as the result of the same work incurred injury for which the employee is receiving extended disability base pay and benefits continuance from the City shall be paid to the City.

D. Retirement Medical Benefit

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1. For employees retiring (service retirement only) from the City of Beverly Hills after July 1, 1981, with the exception of those employees hired or promoted as a Department Director, Assistant Department Director and/or a Senior Management employee on or after December 2, 1997, the City shall continue to pay the difference between the PERS statutory minimum and the actual cost of medical insurance premiums up to the two-party rate of the PERS Care Plan under PERS. In the event of the death of a retired employee, the City shall continue to pay the difference between the PERS statutory minimum and the actual cost of medical insurance premiums up to the one-party rate of the PERS Care Plan under PERS for the spouse or registered domestic partner.
2. For employees hired or promoted as a Department Director, Assistant Department Director and/or a Senior Management employee on or after December 2, 1997, the retiree medical insurance benefit shall be as follows:
 - a) Employee must complete a minimum of 5 years of full time employment with the City of Beverly Hills; and
 - b) Receive a service retirement from the City of Beverly Hills; and
 - c) Remain continuously retired from the City of Beverly Hills without reinstatement to active status with PERS.

For retirees meeting these conditions, the City shall continue to pay toward the difference between the PERS statutory minimum and the actual cost of medical insurance up to the two-party rate of the PERS Care plan under PERS at the following rate:

- i) The City will pay 25% of the difference between the PERS statutory minimum and the actual cost of medical insurance up to the two-party rate of the PERS Care plan.
- ii) In addition to the 25% cited in Subsection (i) above, the City will also pay 5% of the difference between the PERS statutory minimum and the actual cost of medical insurance up to the two-party rate of the PERS Care plan for each year above five years of employee service with the City of Beverly Hills up to 100% of the difference. The City will not pay more than 100% of the difference.

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3. With the concurrence of the City Manager, if an employee is hired in the Department Director, Assistant Department Director and Senior Management group on or after December 2, 1997, and has previously retired from active status from an agency served by PERS; and is within the first five years of service as a full-time permanent employee with the City of Beverly Hills; and was entitled to and receiving retiree medical benefits from another agency equal to the agency paying at least 25 percent of the premium for medical insurance for the employee; and that employee retires or separates from city service for any reason involving incapacitation or an inability to perform the duties of this employee's position (expressly excludes but is not limited to voluntary retirement prior to the employee's fifth anniversary of employment with the City of Beverly Hills and retirement in lieu of termination) then this employee shall be eligible for the benefit outlined in Subsection 2.a., above. Specifically, the City shall pay 25% of the difference between the minimum required under Government Code Section 22892 (b) or its successor and the actual cost of medical insurance up to the two-party rate of the PERS Care plan.

4. It is the City's intention to expand its retiree medical benefits by establishing a defined contribution plan to provide retiree medical benefits to employees hired or promoted as a Department Director, Assistant Department Director and/or a Senior Management employee on or after January 1, 2010. The City also intends to establish an option to permit current employees to elect to participate in the defined contribution plan for retiree health benefits.

E. Retirement Dental Benefit

Upon retirement, Department Director, Assistant Department Director and Senior Management employees can continue in the City's dental plans, at their own expense to the extent and subject to the terms and conditions of the then-applicable plan document. The City reserves the right to modify or discontinue retiree dental based on availability, market conditions and other factors.

F. Retirement Optical Benefit

Upon retirement, Department Director, Assistant Department Director and Senior Management employees can continue in the City's optical plan, at their own expense to the extent and subject to the terms and conditions of the then-applicable plan document. The City reserves the right to modify or

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discontinue retiree optical based on availability, market conditions and other factors.

G. Mileage Reimbursement

Since Executive Employees are not allowed auto allowances, executive employees will be allowed a mileage reimbursement benefit, as was effective October 1, 2007. This benefit is for city related travel in an employee's private vehicle at the prevailing rate as set by the Administrative Services Department. Mileage reimbursement will begin after the employee has traveled 25 miles or more in a single day. This 25 mile exemption rule will be waived for over night training or conference travel. For example, if an employee drives 35 miles in a day on City business- that employee would be eligible for mileage reimbursement of 10 miles ($35-25=10$). If an employee travels to San Diego for a training session or conference and stays over night, and the employee's total mileage is 250 miles, the employee would get a mileage reimbursement of 225 miles ($250-25=225$). All executive employees must submit City approved forms for reimbursement. All reimbursements must be submitted no later than 3 months after the final day of travel. The Chief Financial Officer shall be responsible for administering and interpreting this benefit.

VIII. PAY FOR PERFORMANCE PROGRAM

In acknowledgement of the goals and objectives set by the City Council each fiscal year, and the level of attainment of those goals and objectives by the City Manager, the Department Directors, Assistant Department Directors and Senior Management employees, the City Manager shall implement a Pay for Performance Program (in addition to base pay) for these employees. The rules, regulations and benefits related to this plan will be detailed in an Administrative Regulation approved by the City Manager. The Human Resources Division of the Administrative Services Department will administer this program.

IX. UNIFORM ALLOWANCES

The Police Chief, Fire Chief, Deputy Fire Chief, and Assistant Police Chief shall receive \$600.00 annual uniform allowances.

X. RETIREMENT

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- A. Effective April 1, 2008, pursuant to Government Code section 20636(c)(4), the City will pay the 8% employee's contribution to PERS for miscellaneous Department Director, Assistant Department Director and Senior Management employees; the City will pay the 9% employee's contribution to PERS for the Police Chief, Fire Chief, Deputy Fire Chief and Assistant Police Chief; and the City will report the monetary value of those normal contributions paid by the City on behalf of each employee (known as "employer paid member contribution") as compensation earnable.
- B. The City's Retirement contract with PERS is at the 2.5% at 55 rate for miscellaneous employees and 3% at 50 for local safety employees (Police Chief, Fire Chief, Deputy Fire Chief and Assistant Police Chief).
- C. 1959 Survivors Benefit

The City's contract with the Public Employees Retirement System provides for Level 4 coverage under the 1959 Survivor Benefit.
- D. The City's contract with the Public Employees Retirement System provides for Pre-Retirement Optional Settlement 2W Death Benefit as set forth in Government Code Section 21548.
- E. All PERS benefits shall be provided in accord with the requirements of the Public Employees' Retirement Law, commencing at Government Code §20000, and all applicable regulations and procedures of PERS, which shall prevail in the event of conflict with the provisions of this compensation plan.

XI. SEPARATION FROM CITY SERVICE

A. Sick Leave Pay-Off

All accrued, unused sick leave earned and credited to each employee shall be the basis for determining the amount to be paid to each employee who qualifies to receive sick leave pay-off.

Department Director, Assistant Department Director and Senior Management employees who have achieved seven (7) or more years of continuous service and are listed on the City's active payroll on or after July 1, 1982, shall be eligible for sick leave pay-off upon termination of employment with the City, in accordance with the following.

The rate of sick leave pay-off shall be calculated as follows:

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- For the first 7 years - 4% of accrued, unused sick leave per full year of service.
- For each year thereafter - 6% of accrued, unused sick leave per full year of service to a maximum of 100%.
- Sick leave pay-off shall be calculated at the rate of base pay received by the employee at the time of termination. Each employee eligible to receive sick leave pay-off shall receive said pay-off at the time of termination.

B. Vacation and Administrative Leave Pay-Off

An employee who terminates from City service shall receive an amount equal to accrued, unused vacation at the time of termination. The rate of pay off shall be based on the rate of base pay received by the employee at the time of termination. An employee does not have the option of utilizing accrued, unused vacation in lieu of vacation pay-off at time of termination.

An employee who terminates from City service shall receive an amount equal to accrued, unused Administrative Leave at the time of termination.

C. Notice of Termination/Severance

If the City determines to terminate an employee without cause (cause shall mean termination for conviction of a felony, or for malfeasance in office) the City shall provide a Department Director employee with six (6) to twelve (12) months prior notice of the termination date ; and shall provide an Assistant Department Director or a Senior Management employee with four (4) to eight (8) months prior notice of the termination date. The amount of notice within the applicable range shall be in the City Manager's discretion. In lieu of providing the notice above, the City Manager in his/her discretion may pay the employee severance (severance shall include salary and benefits) at the rate of six (6) to twelve (12) months severance for a Department Director; and four (4) to eight (8) months severance for an Assistant Department Director or a Senior Management employee. The amount of severance within the applicable range shall be in the City Manager's discretion.

XII. DEFERRED COMPENSATION

A. City Contribution

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The City shall contribute at least \$30.00 per month per Department Director, Assistant Department Director and Senior Management employee to the City's deferred compensation program.

B. Conversion of Sick Leave to Deferred Compensation

Department Director, Assistant Department Director and Senior Management employees may convert accumulated sick leave to base pay. The extra pay may only be used to fund "catch up" contributions to deferred compensation. The following restrictions apply to this program.

- 1) The employee shall have a minimum of 7 years of service with the City of Beverly Hills.
- 2) The individual's sick leave accrual cannot be reduced below 240 hours.
- 3) The conversion is limited to the time period allowed by the IRS for "catch-up" provisions in 457, 401(k) and other plans as adopted by the City and the conversion can be used only for funding these deferred compensation "catch-ups".
- 4) A conversion of no more than \$11,500 per employee per calendar year is allowed.
- 5) The conversion will be at the then existing sick leave payoff percentage.