



## AGENDA REPORT

**Meeting Date:** November 15, 2011

**Item Number:** G-6

**To:** Honorable Mayor & City Council

**From:** Laurence S. Wiener, City Attorney

**Subject:** **RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS APPROVING AMENDMENTS TO: (1) THE EXECUTIVE EMPLOYEE COMPENSATION PLAN FOR DEPARTMENT DIRECTORS, ASSISTANT DEPARTMENT DIRECTORS, AND SENIOR MANAGEMENT EMPLOYEES, (2) THE EMPLOYMENT AGREEMENT WITH THE CITY MANAGER AND (3) THE EMPLOYMENT AGREEMENT WITH THE CITY CLERK**

**Attachments:**

1. Resolution
2. Amended Compensation Plan
3. Amendment No. 4 to City Manager Employment Agreement
4. Amendment No. 5 to City Clerk Employment Agreement

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### **INTRODUCTION**

The City has a long-term disability insurance plan that is available to the City's City Manager, City Clerk, Department Directors, Assistant Department Directors, and Senior Management Employees at their own cost. This insurance plan currently provides benefits after a 90-day waiting period. To supplement this plan, the City has an "extended disability base pay and benefits continuance" policy under which the City may provide base pay and benefits to such employees during the first 90 days of a disability.

The proposed amendments to the City Manager's employment agreement, the City Clerk's employment agreement, and the Executive Compensation Plan would decrease the waiting period before an employee qualifies for benefits under the long-term disability plan from 90 days to 30 days. The amendments would also implement a corresponding decrease in the length of the "extended disability base pay and benefits continuance" to conform to the shorter disability insurance wait period. To minimize the employees' cost for this reduction in the waiting period, the City must require all executive employees and the City Clerk and City Manager to participate in this disability insurance plan.

**DISCUSSION**

In order to reduce the waiting period for long term disability benefits, at the expense of the benefitted employees, the following amendments are proposed to the contracts of the City Manager and the City Clerk and to the Executive Compensation Plan:

(1) The City Manager and City Clerk's contracts will be amended to require these employees to participate in the City's long term disability insurance program at their own expense. The amendments will specify that the waiting period for benefits will be thirty days and the maximum benefits available under the policy will be \$15,000 per month. Additionally, the "extended disability base pay and benefits continuance program" eligibility will be reduced from ninety days to thirty days.

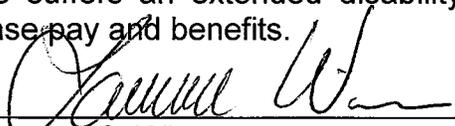
(2) The Executive Compensation Plan will be amended to reduce the waiting period for long term disability insurance from ninety days to thirty days. Similarly, the "extended disability pay and benefits continuance program" eligibility will be reduced from a maximum of ninety days to a maximum of thirty days.

(4) The Executive Compensation Plan will be amended to provide that the maximum amount payable under the long-term disability insurance plan would be \$15,000 per month. This documents an increase to the maximum amount payable that was implemented in 2009.

Additionally, unrelated to the changes concerning long term disability insurance, the proposed amendments to the Executive Compensation Plan delete from the Compensation Plan positions that have been eliminated since the Plan was last amended and updates other position titles. The amendment also makes clear that the retirement medical benefits of those employees participating in the City's Alternative Retirement Medical Program (ARMP) are governed by that program and not the provisions of this compensation plan. Finally, there is a clerical correction to a sample mileage reimbursement calculation and an amendment to allow sick leave cash conversion to be paid in December or January, rather than restricting payment to January.

**FISCAL IMPACT**

The reduced waiting period for long term disability insurance benefits will result in a cost increase to each employee who participates in the long-term disability plan because the employee will pay an increased premium for the increased benefit. The decrease in the maximum length of time that an employee may receive extended disability base pay and benefits from the City will result in costs savings to the City in the event that an employee suffers an extended disability and therefore receives the extended disability base pay and benefits.

  
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Laurence S. Wiener  
City Attorney

# **Attachment 1**

RESOLUTION NO. 11-R-

RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS  
APPROVING AMENDMENTS TO: (1) THE EXECUTIVE EMPLOYEE  
COMPENSATION PLAN FOR DEPARTMENT DIRECTORS, ASSISTANT  
DEPARTMENT DIRECTORS, AND SENIOR MANAGEMENT EMPLOYEES,  
(2) THE EMPLOYMENT AGREEMENT WITH THE CITY MANAGER AND  
(3) THE EMPLOYMENT AGREEMENT WITH THE CITY CLERK

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

Section 1. Those changes to the Executive Employee Compensation Plan for Department Directors, Assistant Department Directors and Senior Management Employees, shown in redline form and dated November 15, 2011, a copy of which is on file in the office of the City Clerk and identified as Contract No. \_\_\_\_\_, are hereby adopted. No other changes to the Executive Compensation Plan are adopted.

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

Section 3. Amendment No. 4 to the employment agreement with Jeffrey C. Kolin and Amendment No. 5 to the employment agreement with Byron Pope, copies of which are on file in the office of the City Clerk and which are identified as Contract Nos. \_\_\_\_\_ and \_\_\_\_\_ are hereby adopted.

Section 4. 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:

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BARRY BRUCKER  
Mayor of the City of  
Beverly Hills, California

ATTEST:

\_\_\_\_\_ (SEAL)  
Lourdes Sy-Rodriguez  
Deputy City Clerk

APPROVED AS TO FORM:  
  
\_\_\_\_\_  
LAURENCE S. WIENER  
City Attorney

# **Attachment 2**



(11/15/11)

## 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. 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 consistent with the authority and terms contained in this Plan. The City Manager may also grant alternate workweek (such as 9/80 and 4/10) and flexible schedules instead of the traditional 5/40 schedule. The City Manager shall notify the City Council when granting any schedule other than the traditional 5/40 schedule.

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

Senior Management

<del>LI</del>	<del>Assistant City Clerk</del>
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
<del>WG</del>	<del>Economic Development and Marketing Director</del>
VU	Environmental Utilities Manager
WW	Parking Operations Director
<del>DL</del>	<del>Training and Organizational Development Manager</del>
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 INCENTIVE PAY

Department Director, Assistant Department Director and Senior Management Employees shall be entitled to Management Incentive Pay (MIP) above their base pay, at rates established by the City Council, as listed below. MIP is a means of assuring the recruitment and retention of highly capable and qualified employees. It provides eligible employees extra pay for the unique nature of their jobs and the special skills, knowledge and abilities required. The compensation is paid as earned for normally required duties performed during normal work hours. It is not compensation in lieu of overtime nor in lieu of other benefits that are excluded from consideration under the statutes and regulations of the Public Employees' Retirement System.

Department Heads will be entitled to \$625.00 per month, Assistant Directors will be entitled to \$400.00 per month and Senior Management Employees will be entitled to \$300.00 per month. Employees receiving MIP in excess of these amounts as of December 2009 will be grandfathered at such higher level until the MIP for their level meets or

exceeds their individual amount. Employees moving to a lower level will receive the MIP for the lower level on the effective date of the change.

#### 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.

If the holiday falls on a day which is an off day for employees working the 9/80, 4/10 or another alternate or flexible schedule, those employees shall receive a floating holiday in lieu of the holiday. Floating holidays may be taken at the employee's discretion, subject to approval of the Department Head or designee. Floating holidays may only be used after the holiday has occurred, unless the employee requests to use the floating day contiguous to the actual holiday. If the employee does not use his/her floating holidays earned within the calendar year in which the employee has received it, he/she will not earn any additional floating holidays in subsequent years until the employee's holiday balance reaches zero. Provided, however, that those floating holidays which are earned in November or December, may be held and may be used during the year granted and for two months of the following year.

##### 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.

C. Vacation Leave

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	4.60 Hours	6.13 Hours
Bi-weekly	Bi-weekly	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.

For example, employees earning vacation leave at the rate of 120 hours per year whose vacation accumulations at the beginning of the calendar year are less than 360 hours may accumulate vacation leave which will result in their balances being above 360 hours but these employees must not have more than 360 hours at the end of the calendar year (240 + 120). Likewise, employees earning 160 hours per year whose vacation accumulations at the beginning of a calendar year are less than 400 hours may accumulate annual vacation which will result in their balances being above 400 hours, but these employees must not have more than 400 hours at the end of the

calendar year (240 + 160). Employees in their first through fourth years, earning at the applicable rate of 80 or 120 hours per year, normally will not have the mathematical possibility of exceeding the applicable limit of either 320 hours (240 + 80) or 360 hours (240 + 120) for their level.

If an employee is above the applicable limit at the end of the calendar year (320, 360 or 400 hours), the employee will receive no additional vacation accumulation until his or her accumulation is below the applicable limit. The examples above notwithstanding, an employee hired or rehired on or after January 1, 2010 may not exceed the accumulation limit (320, 360 or 400 hours) at any time during the year and will not earn any additional vacation accumulation once the limit is reached and until the employee's vacation accumulation falls below the applicable limit.

The City Manager may grant a temporary written waiver of the accumulation limit where an employee is unable to take vacation because of work scheduling or where required by law. Except as authorized by the City Manager according to this paragraph, any vacation leave credited to an employee above the applicable accumulation limit has not been earned and is credited in error. The vacation leave accumulation records of an employee may be corrected to remove such time credited in error.

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.

The City Manager may advance not more than 80 hours of vacation leave to new employees covered by this compensation plan as an advance of future vacation leave to be earned. An employee leaving City employment will not be paid for any portion of the advance that has not been earned at the time of separation. The City Manager may also advance the accumulation rate of a new employee based on years of prior service in other jurisdictions or upon prevailing market conditions.

#### D. Sick Leave

Every Department Director, Assistant Department Director and Senior Management employee shall accrue eight (8) hours of sick leave per month. The City Manager may advance not more than 80 hours of sick leave to new employees covered by this compensation plan as an advance of future sick leave to be earned. Hours advanced will not be eligible for cash conversion, under the Sick Leave Incentive or otherwise, unless and until earned.

##### 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 December or the month of January of the following year. The limit of payment shall be 24 hours per calendar 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.

## 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.
  - 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, may 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 raise the employee's administrative leave balance for that calendar year up to the maximum of 120 hours, per California Labor Code Section 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.

### 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.

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) 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) 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) 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) 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
  - 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) or its successor and the actual cost of medical insurance up to the two-party rate of the PERS Care plan under PERS for the employee and for the spouse or surviving spouse subject to the conditions below:

- i) A spouse includes any marriage, domestic partnership or civil union partner eligible for coverage under the applicable plan documents, such as a spouse, husband, wife or registered domestic partner.
- ii) An employee must elect City premium contributions above the statutory minimum for a surviving spouse upon the spouse first being eligible for coverage under the City's plan, at a cost of \$10.00 per month while the employee is employed and paid by payroll deduction based on a reduction in the City's contribution toward coverage above the statutory minimum. Typically, election will occur at initial employment in the Executive Employee Group or at the date of a subsequent marriage or domestic partnership. An employee who does not timely elect and pay the \$10 monthly charge may not later elect surviving spouse premium contributions. The employee payments are not refundable, even if an employee leaves City service without retiree medical coverage, gets divorced, terminates a domestic partnership or is otherwise unable to take advantage of surviving spouse premium contributions.

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, but before January 1, 2010, 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. Specifically, the City shall pay the cost of medical insurance premiums equal to 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 under PERS.

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.

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.

VI. MEDICAL INSURANCE BENEFIT AND 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.

The City shall contribute the PERS statutory minimum toward the cost of providing medical insurance 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, in order to enhance the City's Flexible Benefits (Cafeteria) Plan, as of January 1, 2010, the City shall provide a monthly benefit contribution (in addition to the PERS statutory minimum contribution to medical insurance for all participants) to each current 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 equal to the combined cost of the PERS Care family medical (minus statutory minimum contribution being made by the City), the enhanced family dental and the enhanced family vision plans as of January 1, 2010 and on each January 1 thereafter. (Where more than one plan is offered in a particular category of coverage, "enhanced" designates the plan with the greatest premium.) If after selection of the various I.R.S. qualified benefits as detailed in this section, an employee has benefit contribution left over, the employee shall receive, in a taxable cash payment added to his or her bi-weekly payroll, that amount as determined by the difference between the employee's selected benefits and the monthly benefit amount, subject to a maximum limit of \$600. However, any employee who made elections prior to January 1, 2010 for the 2010 plan year resulting in a taxable cash payment in excess of the maximum limit of \$600 may continue the receipt of cash in excess of \$600 until the earlier of (1) the end of the 2010 plan year or (2) any change in, revocation of or making of a new election under this benefit. If an employee "spends" more than what is allocated by the City in the Flexible Benefits (Cafeteria) Plan monthly allotment, the difference shall be deducted from that employee's pay on a bi-monthly basis. Terms will be as specified in the applicable plan document(s) and any conflict will be resolved in favor of the plan document.

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 or as otherwise provided in the applicable plan document or rules and regulations of the provider(s).

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 service or major portion thereof.

The City shall pay 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 service 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 one or more 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 one or more optical 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.

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 ~~contract for a provide, at employees' taxable expense, long-~~ term disability insurance plan for Department Director, Assistant Department Director and Senior Management employees. ~~This benefit shall be mandatory for e~~Each Department Director, Assistant Department Director and Senior Management employee shall be required to participate in the long-term disability insurance plan at his or her own expense. The disability plan will pay two thirds (66%) of the employee's base pay, up to a maximum of \$~~10~~15,000 per month with a thirty (30)~~90~~-day disability wait period.

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

The City may provide to each Department Director, Assistant Department Director and Senior Management employee base pay and benefits (less legally required deductions) during a thirty day period after the employee sustains an injury or illness causing long term disability, but before the employee receives benefits from any long term disability insurance policy. The decision whether to provide base pay and benefits during this thirty day period shall be made by the City Manager, at the City Manager's sole discretion. To qualify for this base pay and benefits, the employee must notify the City Manager or the City Manager's designee, in writing, immediately upon becoming aware that an injury or illness may result in a long term disability and the employee must apply for disability insurance benefits as required by the disability insurance plan referenced in paragraph B above. Additionally, upon request by the City Manager or the City Manager's designee, the employee shall provide the City with a written statement from a physician, satisfactory to the City Manager or the City Manager's designee, detailing the employee's injury or illness and recommending disability leave. The City Manager or the City Manager's designee, may contact the employee's physicians and medical treatment providers, 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.

No base pay or benefits shall be provided to the employee pursuant to this Paragraph C except in accordance with the procedures set forth in this Paragraph C. Nor shall any benefits be provided pursuant to this

Paragraph C unless the employee qualifies for benefits under the long term disability insurance plan referenced in Paragraph B above.

Nothing in this Paragraph C shall entitle the employee to total compensation that exceeds the base pay and benefits provided to the employee in the absence of a disability. Any disability indemnity received by the employee from the State of California intended to cover the period for which the employee has received base pay and benefits pursuant to this Paragraph C, shall be paid to the City."

~~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 as a Department Director, Assistant Department Director and/or a Senior Management employee on or after December 2, 1997 and with the exception of those employees who promote into the Executive Employee group 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 as a Department Director, Assistant Department Director and/or a Senior Management employee on or after December 2, 1997 or who promote into the Executive Employee group on or after December 2, 1997, but on or before December 31, 2009, 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 pay 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:

- i) A spouse includes any marriage, domestic partnership or civil union partner eligible for coverage under the applicable plan documents, such as a spouse, husband, wife or registered domestic partner.
- ii) An employee must elect City premium contributions above the statutory minimum for a surviving spouse upon the spouse first being eligible for coverage under the City's plan, at a cost of \$10.00 per-month while employed and paid by payroll deduction based on a reduction in the City's contribution toward coverage above the statutory minimum. Typically, election will occur at initial employment in the Executive Employee Group or at the date of a subsequent marriage or domestic partnership. An employee who does not timely elect and pay the \$10 monthly charge may not later elect surviving spouse premium contributions. The employee payments are not refundable, even

if an employee leaves City service without retiree medical coverage, gets divorced, terminates a domestic partnership or is otherwise unable to take advantage of surviving spouse premium contributions.

3. With the concurrence of the City Manager, if an employee is hired as a Department Director, Assistant Department Director or Senior Management employee on or after December 2, 1997 but before January 1, 2010, 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, above. Specifically, the City shall pay 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. Employees Hired on or after January 1, 2010:

As provided above in Section VI, effective January 1, 2010, the City will contribute, based on a qualifying retirement, the PERS statutory minimum on behalf of each participant in the program who has retired from City service.

In addition, for employees hired as a Department Director, Assistant Department Director and/or a Senior Management employee on or after January 1, 2010, in lieu of additional retiree medical insurance benefits, the City shall, while the employees are working for the City, contribute \$1,375.00 per month, or such amount as the City Council may establish from time-to-time, into a tax deferred IRS allowed account on behalf of such employees. The assets in the tax deferred account will be vested after one year of service. This plan will be portable at the time the employee separates from City service. Terms of the plan will be determined by the plan document adopted by the City Council.

Employees who promote into the Executive Employee group on or after January 1, 2010, who were City employees as of December 31, 2009, will receive retiree medical benefits (based on their years of service with the City) in accordance with the benefits and plan under which they were covered immediately prior to the promotion.

Employees hired before January 1, 2010 may choose an Alternative Retiree Medical Program instead of their current retiree medical benefit plan. This choice will include a lump sum payment (value of payment to be determined by the City Council following receipt and review of an actuarial study). If the employee chooses the Alternative Retiree Medical Program, the employee will not be able to request reinstatement to the former (pre-2010) benefit plan. Any additional terms involved in making the choice will be determined by the City Council. Terms of the plan will be determined by the plan document adopted by the City Council.

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5. The provisions of this Paragraph D shall not apply to those employees who have voluntarily elected to participate in the City's Alternative Retirement Medical Plan ("ARMP"). Instead, retirement medical benefits will be governed by the ARMP.

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

Since Executive Employees are not provided 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 overnight 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 ~~250~~25 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. SALARIES AND ANNUAL SALARY INCREASES

The City's policy is to maintain a competitive pay structure that enables attraction and retention of highly experienced and effective Department Directors, Assistant Department Directors and Senior Managers.

Base pay for each classification covered by this compensation plan shall be set by the City Manager within the designated salary range set forth in Appendix A. The salary ranges set forth in Appendix A shall be constructed as follows: (1) the "Control Point" of the range shall be a base salary that, when added to other compensation paid to the classifications assigned to the range, will result in a total compensation at approximately the 75th percentile of all total compensation amounts determined from a market survey of the classifications assigned to the range; (2) the minimum salary of the range shall be fifteen percent (15%) below the "Control Point"; and (3) the maximum salary of the range shall be fifteen percent (15%) above the "Control Point".

Except when the City Manager determines that a market survey should be conducted more often, a total compensation market survey shall be conducted every other year for the purpose of identifying the Control Point for each salary range set forth in Appendix A. In the years when a compensation survey is not conducted, the Control Point may be adjusted by a cost of living adjustment ("COLA") that shall be no more than the median of the COLAs, if any, granted by the cities used in the most recent total compensation survey.

The City Manager shall: (1) determine the procedures to be used in conducting the total compensation market survey referenced above; (2) advise the City Council on periodic adjustments to the salary ranges, including the number of distinctive salary ranges and which classifications should be included within a particular range; and (3) make adjustments as necessary to the base pay of each employee within the salary range that is set for the employee's classification. When establishing the initial salary for a new employee and making subsequent adjustments to base pay for an employee within a salary range, the City Manager may consider such factors as individual growth in the position, contribution to achieving the City's goals and objectives, tenure, and other factors the City Manager deems appropriate.

The City Council may amend Appendix A as necessary to reflect the results of compensation surveys and COLAs and to assign classifications to the appropriate range. In no event shall an employee be paid a base salary that is outside the range for the employee's classification set forth in Appendix A except as necessary to ensure that the base salary for Chief of

Police will be at least twenty percent (20%) above the top step for Police Captain, the base salary for Fire Chief will be at least ten percent (10%) above the base salary for Deputy Fire Chief, and the base salary for Deputy Fire Chief will be at least ten percent (10%) above the top step for Fire Battalion Chief. In no event, however, may the base salary for any classification or position included in this compensation plan exceed a base salary that is two percent (2%) below the City Manager's base salary.

IX. 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 Department Directors, Assistant Department Directors and Senior Management employees, the City Manager shall implement a Pay for Performance Program. Pay for Performance is separate from, and in addition to, base salary. The Pay for Performance payment an employee receives, if any, shall be a lump sum amount as determined by the City Manager or designate based on the employee's performance and shall not exceed the lesser of 10% of base salary or the difference between the employee's total compensation and 1% above total compensation of the highest paid comparable position in the most recent survey of comparable positions (including the COLA implemented in any year the survey is not performed). If an employee's total compensation is already at or more than 1% above the top agency in the survey in a particular year, he/she will not be eligible for Pay for Performance for that year. Pay for Performance, if any, is part of the employee's annual evaluation and shall be paid the first full pay period following approval of the employee's evaluation.

The total dollar amount of all Pay for Performance awards granted in any given fiscal year shall not exceed five percent (5%) of the combined annual base salary for all employees covered by this compensation plan as of June 30<sup>th</sup> of the immediately preceding fiscal year.

The rules, regulations and benefits related to this Pay for Performance program may be further detailed in an Administrative Regulation approved by the City Manager. The Human Resources Division of the Administrative Services Department will assist the City Manager in administering this program.

X. UNIFORM ALLOWANCES

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

XI. RETIREMENT

- A. 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 Survivor 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.

## XII. 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:

- 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) after one full year of Executive Employee service the, City shall provide a Department Director employee with four (4) to twelve (12) months prior notice of the termination date; and shall provide an Assistant Department Director or a Senior Management employee with three (3) 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 required notice above, the City Manager in his/her discretion may pay the eligible employee severance (severance shall include salary and benefits) at the rate of four (4) to twelve (12) months severance for a Department Director; and three (3) to eight (8) months severance for an Assistant Department Director or a Senior Management employee. The minimum amount of severance may be granted within the City Manager's discretion. The City Manager may grant severance above the minimum within the specified range only with City Council concurrence.

XIII. 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 shorter of three consecutive years or 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 the amount which will bring the annual deferral to the maximum permitted by law is allowed.
- 5) The conversion will be at the then existing sick leave payoff percentage.

# **Attachment 3**

**AMENDMENT NO. 4 TO THE EMPLOYMENT AGREEMENT BETWEEN  
JEFF KOLIN AND THE CITY OF BEVERLY HILLS**

This Amendment No. 4 is made as of November \_\_, 2011 to that certain Employment Agreement (the "Agreement") between Jeff Kolin ("Employee"), an individual, and the City of Beverly Hills ("Employer" or "City"), a municipal corporation, dated November 17, 2009 and identified as Contract No. 440-09, as amended by Amendment No. 1 and identified as Contract No. 13-10, as amended by Amendment No. 2 and identified as Contract No. 439-10, and as amended by Amendment No. 3 and identified as Contract No. 111-11.

**RECITALS**

- A. Employer and Employee entered into the Agreement on November 17, 2009.
- B. Employer and Employee entered into Amendment No. 1 to the Agreement on January 12, 2010. Amendment No. 1 advanced the start date of the Agreement by five days and allowed Employee to participate in the City's newly adopted cafeteria plan.
- C. Employer and Employee entered into Amendment No. 2 to the Agreement on October 5, 2010. Amendment No. 2 provided a housing loan to Employee.
- D. Employer and Employee entered into Amendment No. 3 to the Agreement on April 5, 2011. Amendment No. 3 provided a cost of living adjustment to Employee.
- E. Employer desires to require Employee to participate, at his own expense, in the City's long term disability insurance plan and desires to alter the terms of the disability base pay and benefits continuance by decreasing the maximum time for receipt of extended disability base pay and benefits continuance.

NOW, THEREFORE, the parties agree as follows:

Section 1. Section 4, Paragraph C, shall be redesignated as Section 4, Paragraph D and shall be amended to read in its entirety as follows:

“D. Extended Disability Pay and Benefits. Employer may provide to Employee base pay and benefits (less legally required deductions) during a thirty day period after Employee sustains an injury or illness causing long term disability, but before Employee receives benefits from any long term disability insurance policy. The decision whether to provide base pay and benefits during this thirty day period shall be made by the City Council, at its sole discretion. To qualify for this base pay and benefits, Employee must notify the Assistant Director of Administrative Services-Human Resources, in writing, immediately upon becoming aware that an injury or illness may result in a long term disability and Employee must apply for disability insurance benefits as required by the disability insurance plan referenced in paragraph C above. Additionally, upon request by Employer, Employee shall 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, detailing Employee’s injury or illness and recommending disability leave. The Human Resources Division, in consultation with the Risk Management Division, may contact Employee’s physicians and medical treatment providers, as may be appropriate, to determine the severity and scope of injury/illness and probable length of absence of Employee. Employee must also make himself available for examination by a City-appointed physician (at City expense).

No base pay or benefits shall be provided to Employee pursuant to this paragraph D except in accordance with the procedures set forth in this paragraph D. Nor shall any benefits be provided pursuant to this paragraph D unless Employee qualifies for benefits under the long term disability insurance plan referenced in paragraph C above.

Nothing in this paragraph D shall entitle Employee to total compensation that exceeds the base pay and benefits provided to Employee in the absence of a disability. Any disability indemnity received by Employee from the State of California intended to cover the period for which Employee has received base pay and benefits pursuant to this paragraph D shall be paid to the City.”

Section 2. A new Section 4, Paragraph C shall be inserted to read in its entirety as follows:

“D. Employer shall contract for a long-term disability insurance plan. Employee shall be required to participate in the long-term disability plan at his own expense. The disability plan will pay two-thirds (66%) of Employee’s base pay, up to a maximum of Fifteen Thousand Dollars (\$15,000.00) per month. The disability wait period shall be thirty (30) days.”

Section 3. Except as otherwise specifically provided in this Amendment No. 4, the provisions of the Agreement, as amended by Amendment No. 1, Amendment No. 2, and Amendment No. 3 shall remain in full force and effect.

IN WITNESS WHEREOF the parties have executed this agreement as of the date and year first written above.

EMPLOYEE

  
\_\_\_\_\_  
JEFF KOLIN

CITY

\_\_\_\_\_  
BARRY BRUCKER  
Mayor of the City of Beverly Hills,  
California

ATTEST:

\_\_\_\_\_(SEAL)  
BYRON POPE  
City Clerk

# **Attachment 4**

AMENDMENT NO. 5 TO AN AMENDED AND  
RESTATED EMPLOYMENT AGREEMENT BETWEEN  
THE CITY OF BEVERLY HILLS AND BYRON POPE

This Amendment No. 5 ("Amendment") is to that certain Amended and Restated Employment Agreement ("Agreement"), dated September 2, 2008, and identified as Agreement No. 378-08 between the City of Beverly Hills ("Employer" or "City") and Byron Pope ("Employee"), a copy of which is on file in the office of the City Clerk, for services as City Clerk.

RECITALS

A. City and Employee entered into a written agreement, dated December 23, 2005, and identified as Agreement Number 92-06, describing the terms and conditions of Employee's employment with City as its City Clerk. City and Employee previously agreed to two amendments to the December 23, 2005 agreement: Amendment No. 1, executed October 16, 2007, and identified as Agreement Number 423-07; and Amendment No. 2, executed April 15, 2008, and identified as Agreement Number 115-08.

B. City and Employee entered into an Amended and Restated Employment Agreement, executed September 2, 2008 and identified as Agreement Number 378-08; an Amendment No. 1 to the Agreement executed on December 16, 2008 and identified as Agreement No. 514-08; an Amendment No. 2 to the Agreement executed on June 16, 2009 and identified as Agreement No. 231-09, an Amendment No. 3 to the Agreement executed on February 15, 2011 and identified as Agreement No. 35-

11, and an Amendment No. 4 to the Agreement executed on April 21, 2011 and identified as Agreement No. 137-11.

C. Section 4 of the Agreement indicates that the City will provide long term disability insurance and extended disability pay and benefits to Employee.

D. The City and Employee desire to alter the terms of the long term disability insurance program by decreasing the length of the disability wait period, by implementing a corresponding decrease in the length of the extended disability pay and benefits continuance to conform to the shorter disability wait period, and have the cost of the long-term disability insurance program paid by Employee.

NOW, THEREFORE, the parties do amend the Agreement as follows:

Section 1. Section 4, Paragraph B, Sub-paragraph (3), Division (d) titled "Disability Insurance" shall be deleted and the following substituted in its place to read in its entirety as follows:

"(d) Long-Term Disability Insurance. Employer shall contract for a long-term disability insurance plan. Employee shall be required to participate in the long-term disability plan at his own expense. The disability plan will pay two-thirds (66%) of the Employee's base pay, up to a maximum of Fifteen Thousand Dollars (\$15,000.00) per month. The disability wait period shall be thirty (30) days."

Section 2. Section 4, Paragraph B, Sub-paragraph (3), Division (e) titled "Extended Disability Pay and Benefits Continuation" shall be deleted and the following substituted in its place to read in its entirety as follows:

"(e) Extended Disability Pay and Benefits. Employer may provide to Employee base pay and benefits (less legally required deductions) during a thirty day period after Employee sustains an injury or illness causing long term disability, but before Employee

receives benefits from any long term disability insurance policy. The decision whether to provide base pay and benefits during this thirty day period shall be made by the City Council, at its sole discretion. To qualify for this base pay and benefits, Employee must notify the Assistant Director of Administrative Services-Human Resources, in writing, immediately upon becoming aware that an injury or illness may result in a long term disability and Employee must apply for disability insurance benefits as required by the disability insurance plan referenced in subsection (e) above. Additionally, upon request by Employer, Employee shall 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, detailing Employee's injury or illness and recommending disability leave. The Human Resources Division, in consultation with the Risk Management Division, may contact Employee's physicians and medical treatment providers, as may be appropriate, to determine the severity and scope of injury/illness and probable length of absence of Employee. Employee must also make himself available for examination by a City-appointed physician (at City expense).

No base pay or benefits shall be provided to Employee pursuant to this subsection (e) except in accordance with the procedures set forth in this subsection (e). Nor shall any benefits be provided pursuant to this subsection (e) unless Employee qualifies for benefits under the long term disability insurance plan referenced in subsection (d) above.

Nothing in this subsection (e) shall entitle Employee to total compensation that exceeds the base pay and benefits provided to Employee in the absence of a disability. Any disability indemnity received by Employee from the State of California intended to cover the period for which Employee has received base pay and benefits pursuant to this subsection (e), shall be paid to the City."

Section 3. Except as expressly amended by this Amendment No. 5, all of the provisions of the Agreement, as amended by Amendment Nos. 1, 2, 3, and 4 to the Agreement between the City and Employee shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the \_\_\_ day of November 2011, at Beverly Hills, California.

EMPLOYEE

  
BYRON POPE

CITY OF BEVERLY HILLS  
A Municipal Corporation

\_\_\_\_\_  
BARRY BRUCKER  
Mayor of the City of Beverly Hills,  
California

ATTEST:

\_\_\_\_\_  
LOURDES SY-RODRIGUEZ (SEAL)  
Deputy City Clerk