

Attachment 2

MANAGEMENT AND PROFESSIONAL EMPLOYEES

MEMORANDUM OF UNDERSTANDING

The Management and Professional Employees Association of Beverly Hills, (herein after referred to as "M & P Association") a formally recognized employee organization, representing all of its members within the Management and Professional Unit (herein after referred to as "Employees"), and duly authorized representatives of the Management of the City of Beverly Hills (herein after referred to as "the City") have met and conferred in good faith, fully exchanging information, opinions and proposals, and have reached the following agreement (hereinafter referred to as "MOU" or "agreement") within the scope of representation. A list of all of the classifications represented by the Association is attached to this MOU as Exhibit A.

Now, therefore, the parties agree and mutually recommend to the City Council the following for its determination:

1. Integration. This document embodies a written memorandum of the entire understanding and mutual agreement of the parties as required by Government Code Section 3505, et seq. and supersedes all prior Memoranda of Understanding and verbal agreements between the parties hereto. It is recognized that there exists now certain past practices, policies or procedures that are in force and effect which affect wages, hours and working conditions. To that extent, it is agreed that such practices, policies and procedures shall remain in full force and effect during the entire term of this agreement, unless they are inconsistent with the provisions of this MOU, or unless they are changed by agreement of the parties.
2. Term. Unless otherwise specified herein, this MOU shall be effective October 6, 2013~~September 27, 2008~~ and shall expire on September 30, 2015~~October 5, 2013~~.
3. Definition of the word "Day." The word "day" in this agreement refers to calendar days unless specifically designated as working days.

1. SALARIES

Effective June 28, 2014, employees will receive a base salary increase of ten percent (10.0%). Any employees in the unit who were subject to having their compensation Y-Rated, on the date of adoption of the MOU by the City Council shall receive an 8.64% base salary increase.

Effective the pay period including October 4, 2014, employees will receive a base salary increase of one percent (1.0%).

A. Total Compensation Survey

1. Effective Dates of Salary Increases if Applicable

~~On the following effective dates, the City shall implement base salary increases, if applicable, per the terms of the survey described below:~~

- ~~_____ September 27, 2008 _____~~
- ~~_____ September 26, 2009 _____~~
- ~~_____ September 25, 2010 _____~~
- ~~_____ September 24, 2011 _____~~
- ~~_____ September 22, 2012 _____~~

~~A total compensation study shall be performed by a hired consulting firm, selected and paid for by the City, which shall conduct the survey according to the terms prescribed herein. If the Association does not agree with the results of the study it shall provide the City a written statement that outlines the figures or elements it disputes. The Association's written statement may, at its option, include reports from a consultant selected and paid for by it. Thereafter, the parties will meet and confer to attempt to resolve those disputed items. If an agreement still cannot be reached, the parties may agree to submit the matter to a mediator to assist them to reach agreement. If no agreement is reached, or if the parties do not elect to use mediation, the disputed issues shall be submitted to an arbitrator for advisory arbitration. The arbitrator's decision shall be a recommendation to the City Manager who shall render a final administrative decision.~~

~~2. _____ Survey Cities~~

~~The surveyed jurisdictions for 2008-09 shall be: Santa Monica, Pasadena, Burbank, Torrance and Glendale.~~

~~Beginning 2009-10, and continuing each year thereafter, the surveyed cities shall include three cities selected by the Association from the list identified above, plus either one, two or three other cities, at the Association's option, identified by it from cities in Los Angeles or Orange counties. The Association shall notify the City by September 1, 2009 of its selected cities. These survey cities shall be in effect for the duration of this agreement.~~

~~3. _____ Time When Surveys Will Be Conducted~~

~~Except for the first year of this agreement, the surveys will be completed each year by November 15 and will include raises which are known to take effect during the first payroll period after January 1 of the subsequent year. For the first year only, the survey shall include only those salaries in affect by September 27, 2008. All raises provided to represented classifications shall be retroactive to the dates identified in subsection 1, above.~~

~~4. _____ The Elements of Total Compensation Will Include:~~

- ~~1) _____ Monthly Base Salary at the Top Step of each classification's salary range;~~

~~2) — The value of the City paid employee (i.e., member) contributions to CalPERS;~~

~~3) — The value of the “PERS on PERS” benefit (see Article 7, Section E below). For survey purposes, for those agencies which provide PERS on PERS (including Beverly Hills) there shall be a reflected value of 1.4% of top step base salary for the first three years of this agreement and 1.733 % for the last two years of this agreement;~~

~~4) — The value of the average health insurance plan of all bargaining unit members. To determine the survey agencies’ values, the survey will use each agency’s plans (including cafeteria dollars offered to employees at the other agencies) with the Management and Professional Employees’ demographics at the time the survey is conducted;~~

~~5) — Maximum City paid Dental Insurance (family plan);~~

~~6) — Maximum City paid Vision (family plan);~~

~~(Note: Effective with the 2010 salary study, elements 4, 5 and 6, above, shall not be used for purposes of calculating the survey amount for Beverly Hills and, in its place, the average cafeteria plan contribution per employee is substituted.)~~

~~7) — Maximum City Contribution towards Long Term Disability Insurance;~~

~~8) — Maximum City provided Life Insurance, valued at 21 cents per \$1,000 of coverage;~~

~~9) — Maximum City contribution to deferred compensation;~~

~~10) — Longevity Pay according to the amount that would be received by an employee with 15 completed years of service or the City’s average longevity pay for all members of the survey agency bargaining unit whatever is higher;~~

~~11) — The dollar value of the maximum vacation leave provided to an employee in the unit;~~

~~12) — The dollar value of the maximum holiday pay provided to an employee in the unit;~~

~~13) — Average City Paid Education and Certification Pays.~~

5. — Calculation of the Formula

~~In the first year of this contract (retroactive to September 27, 2008) the City agrees to implement a base salary increase (if applicable) of whatever amount is necessary to bring each benchmark classification in the unit which is below the 75th percentile in total compensation to the 75th percentile. Non benchmark classifications will receive an increase (if applicable). In addition, the City agrees to pay all employees in the unit who are below the 85th percentile, a lump sum payment equal to the difference between their annual total compensation and that of the 85th percentile. This is one time money which does not impact the base salary of any member of the unit.~~

~~In all subsequent years of this contract, the City agrees to implement a base salary increase of whatever amount is necessary to bring each classification in the unit which is below the 75th percentile in total compensation to the 75th percentile. In addition, all employees in the unit will be eligible to receive an annual pay for performance payment (paid in connection with their evaluation each year) for up to the difference between their~~

~~total compensation and the total compensation of the highest agency in the survey. The specific terms of the pay for performance plan are set forth in Paragraph B of this Article, below.~~

~~NOTE: The 75th and 85th percentile are calculated by using an excel spreadsheet. The array of total compensation numbers for each classification (either the benchmarks or the other classifications whose compensation is determined by internal relationships to the benchmarks) are calculated and placed on an excel spreadsheet. The following formula is then run: “=percentile(A1:A6,0.75)” or “=percentile(A1:A6,0.85)”. A6 stands for the six survey agencies, assuming six agencies are used. Since five agencies are being used in the first year, the formula will say A5. If seven agencies are used in the second year, the formula will say A7.~~

~~6. — Annual Negotiations re Survey~~

~~The parties agree that prior to any surveys being completed herein, they must reach mutual agreement on: (1) the identity of the benchmark classifications; (2) the classifications that are comparable to the benchmark classifications from each of the surveyed jurisdictions; (3) internal relationship of non benchmark classifications to benchmark classes or other internal factors; and (4) a satisfactory means to address classifications for which there is no adequate applicable market data.~~

~~In addition to the foregoing, the parties acknowledge that at the completion of their negotiations for this MOU, the City was conducting a classification study. At the completion of that study, the parties agree to re open negotiations regarding the study provided, however, there can be no changes without mutual agreement.~~

B.A. Pay for Performance Program

The City of Beverly Hills strives to be a high performance organization, to recognize employees as our most important resource, and to value them for their adaptability, dedication, initiative and contributions to meaningful results. The Management and Professional employees are expected to be among the top performing employees in the City. It is through their leadership and performance that the City can achieve its goal of being a high performance organization. The City agrees that members of the unit shall receive a performance evaluation once each year.

To achieve the goal of high performance, the parties have established this pay for performance plan. Under the plan any member of the unit (~~effective with any performance evaluation due on September 26, 2009 or later~~) shall be eligible to receive an annual lump sum payment effective at the beginning of the payroll period following which the employee's eligibility is established. ~~In determining whether an employee is eligible for pay for performance, the survey in affect on the employee's anniversary date which shows how the employee compares to the top agency for his/her classification will be used.~~

Employees are eligible to receive up to five percent (5%) of their base salary for pay for performance in a lump sum payment. The determination as to whether an employee is eligible for pay for performance is based on whether he/she receives a performance evaluation which satisfies the following criteria: 1) the employee receives a total of at least eight points for the Ratings of Performance Categories, valued as follows: two points for each Rating of “exceeds often” and one point for each Rating of “exceeds sometimes”; and 2) the employee does not receive any performance rating of “Unsatisfactory.” If the employee is eligible for pay for performance, the evaluator of the employee will determine the appropriate level of pay for performance.

Employees who do not receive their annual performance evaluation within 45 days of its due date, may file a request with the Human Resources Department for issuance of the evaluation, including an assessment of their pay for performance pay. The Human Resources Department will contact the City Manager’s office to help ensure the evaluation is issued within 30 days.

The parties agree that to the extent permitted by law, pay for performance pay is special compensation and shall be reported as such pursuant to Title 2 CCR, Section 571(a)(1) Incentive Pay.

Amount of Pay for Performance

~~Pay for performance is separate from, and in addition to, salary increases which may occur as a result of the salary survey or for any other reason provided within this MOU. The payment an employee receives shall be a lump sum amount equal to (depending on performance) 100%, 66% or 33% of the difference between the employee’s annual total compensation and that of the highest agency in the annual survey set forth above. If an employee’s total compensation is already at or above the top agency in the survey in a particular year, he/she will not be eligible for pay for performance for that year. The maximum amount an employee may receive through the pay for performance program is an amount equal to ten percent (10%) of the top step annual base pay for the employee’s classification.~~

C. Pay For Performance Criteria

~~In determining whether an employee is eligible for pay for performance, the following criteria will be analyzed:~~

- ~~1. How well has the employee met and exceeded the goals and objectives of both the employee and the department?~~

~~Employees will be expected to meet goals and objectives. Depending on how well the goals and objectives have been achieved will determine how well this criteria has been satisfied.~~

Each year in meeting with the employee, both the department's and employee's goals and objectives will be identified in writing for the employee. This will include, but not be limited to, a management employee's development of themselves and the employees they manage. This will be a collaborative effort where both the employee and department head will strive to reach an agreement as to the employee's goals and objectives. Ultimately, if an agreement cannot be reached, the Department Head will set forth the goals and objectives he/she has established for the employee. Although the Department Head will identify the goals and objectives for the department he/she can/should receive input from the employee and make any modifications he/she deems appropriate. In assessing the employee's performance on this criteria, the Department Head will go over each goal and objective and identify with as many specific examples as possible how well the goal or objective (both the employee's and department's) has been achieved.

2. — How well has the employee kept projects on schedule and on budget?

Management and Professional Employees are responsible for numerous projects in the City. It is their responsibility to ensure that projects are completed timely and within the budgeted resources. The parties recognize that although timely completion and staying within budgeted resources of some projects is beyond the control of the employee, the success of many projects (in terms of timely completion and staying within budget) is driven by the leadership of the Management and Professional employee over the project. The parties recognize that top pay should be reserved for top performers. Top performers take ownership in projects and ensure, to the extent possible, that the employees they manage and supervise to complete a project will do it well and within the established schedule and budget.

As with each of the criteria identified in the pay for performance program it will be the responsibility of the Department Head to identify with as many specific examples as possible how well the employee has met and/or exceeded this criteria.

3. — What did the employee do to improve his job? Specifically, what did the employee do to make his/her job more effective for the organization?

Management and Professional Employees are not only expected to perform well, but also to do things to enhance the effectiveness of their positions to the organization. For example, establishing new methods of enhancing productivity or identifying new ways to accomplish the tasks of his/her division more efficiently. Employees are not simply expected to perform their jobs well, but as experts in their jobs, they are expected to objectively identify (for example through training and professional relationships established in their field) how they can be more effective in accomplishing all of the tasks of their jobs.

Again, specific examples should be identified by both the Department Head and employee in assessing this criteria.

4. How well did the employee avoid unnecessary or avoidable problems/conflicts in the community within the department or other City departments?

City departments service demanding residents and members of the business community as well as interface with other city departments who have come to expect top quality service. In interfacing with our community and city departments, it is often the manager who either directly interfaces with the community member or departments or who has responsibility to ensure that the contact with the City or department is smooth with minimal problems or conflicts. Although problems or conflicts will arise, it is the manager who is responsible for ensuring that they are resolved.

This criteria measures whether the manager was able to avoid unnecessary or avoidable problems/conflicts. These are issues which could have been avoided had processes been in place to address the issue before it became a conflict/problem. They are also issues which involve direct communication with a member of the community, the Department or other City departments where, had the matter been handled more tactfully or professionally, the conflict/problem may have been avoided. The parties recognize that not all problems/conflicts will be resolved even with the most professional service. However, striving for the most professional level of service will invariably reduce conflict.

D. Pay For Performance Criteria Will Be Calculated As Follows

For each of the four criteria described above, the Department Head will assign an employee a score between 0 and 5, with 5 being "exceptional"; 4 being "exceeds standards"; 3 being "satisfactory"; and anything less than 2 being less than satisfactory. Department Heads are permitted to use one quarter decimals for scores in between whole numbers. Thus, for example, if an employee deserves a score higher than a 4, but lower than a 5, a department head is permitted to score the employee 4.25, 4.5 or 4.75 for each criteria. Annually employees will be eligible to receive a lump sum payment as follows:

- 1) A score between 16.25 and 20 will be considered "exceptional" as it relates to these criteria and entitle the employee to the maximum pay for performance pay.
- 2) A score between 14.25 and 16 will be considered "exceeds standards" as it relates to these criteria and will entitle the employee to sixty six percent (66%) of the maximum pay for performance pay.
- 3) A score between 12.25 and 14 will be considered "satisfactory" as it relates to these criteria and will entitle the employee to thirty three percent (33%) of the maximum pay for performance pay.
- 4) A score of 12 or below will result in the employee not being eligible for pay for performance pay.

E. Pay For Performance Will be Determined At the Time of Each Employee Receives His/Her Annual Performance Evaluation

~~Every year, as part of each employee's annual performance evaluation, Department Heads will be responsible for evaluating the criteria within the pay for performance program for each of the Management & Professional employees within their department over whom they supervise.~~

~~At the meeting, not only will the Department Head go over his/her performance evaluation with the employee, but will go over each of the four criteria of the pay for performance program. The meeting will be set up in advance to give the employee the opportunity to prepare for the meeting. It is expected that the employee will be prepared with a self-evaluation of his/her performance as it relates to each of the four pay for performance program criteria identified herein. Both Department Heads and employees will be expected to use specific examples to set forth their respective assessments of the employee's performance on each of the four criteria.~~

~~Within ten calendar days after the meeting has been completed, the Department Head will consider all of the information discussed, including the information provided at the meeting by the employee, and will then issue his/her final assessment of the four criteria. If it is determined that the employee is eligible for pay for performance, the employee will receive a one-time payment of the applicable pay for performance.~~

F. Employee's Right to Challenge Decision re Pay for Performance

~~If an employee disagrees with the assessment of his/her Department Head, he/she may identify the reasons for his/her disagreement in writing. The Department Head will consider the employee's disagreement and also respond in writing. The Department Head's decision at that point will be final. For the pay for performance program to be successful, both the City and the Association must feel that employees are being assessed fairly and objectively based exclusively on performance.~~

2. APPOINTMENT AND ADVANCEMENT

A. Appointments

The Appointing Authority (as defined throughout this MOU as each employee's Department Head or designee), with the approval of the Assistant Director of Administrative Services/Human Resources or the City Manager, as required, may make appointments to or advancements within the prescribed salary schedule for any management or professional position. Normally, every appointment will be made at the first step of the salary prescribed. However, in the event an appointment is made at other than Step 1, the following procedure shall be adhered to:

- 1) The Appointing Authority shall submit, in writing, to the Assistant Director of Administrative Services/Human Resources, recommendations and justification for appointment at other than Step 1. Appointments to

Step 2 or Step 3 require the approval of the Assistant Director of Administrative Services/Human Resources.

- 2) Appointments to Step 4 or Step 5 shall require the additional approval of the City Manager.

B. Merit Step Advancement

- 1) Unless otherwise provided by this MOU, every employee shall receive step advancements in the following manner:

Upon successful completion of the six months of service in his/her assignment in a classification in this unit, an employee shall receive (effective on the first day of the pay period that begins after the six month period) a salary step increase to Step 2 of the prescribed schedule. Subsequently, each year on his/her anniversary date in a position, the employee shall (effective on the first day of the pay period that begins after his/her anniversary date) be eligible for salary step increases for Steps 3 through 5, provided that the employee has received an evaluation with an overall rating of at least satisfactory; such increase is recommended by the employee's supervisor and the Appointing Authority and is approved by the Assistant Director of Administrative Services/Human Resources. Movement between Step 2 and 3, Step 3 and 4 and Step 4 and 5 are in one year increments unless otherwise approved by a Department Head who may recommend movement of more than one step.

In the event an employee is appointed to a step above the first, he/she shall not be eligible for a salary step increase after six months, but shall be eligible for a salary step increase upon the completion of one year of service, (on the first day of the pay period that begins after one year of service has been completed) provided the employee has received an evaluation with an overall rating of at least satisfactory.

C. Special Merit Advancement

The City Manager may authorize the advancement of an employee to any step within the prescribed schedule for that employee's current position, upon written recommendation of the Appointing Authority, as submitted to the Assistant Director of Administrative Services/Human Resources. Such salary increases shall be effective on the first day of the pay period following the approval by the City Manager if not otherwise specified by the City Manager. A special merit advancement shall affect the anniversary of an employee, causing it to change to the effective date of the special merit advancement.

D. Salary Review

A member of the Association is permitted to make a request by December 15 of any year to have his/her salary reviewed by the City Manager or designee who will consider the request and respond by prior to the City Council budget presentation March 15 as to whether an increase is warranted. The City Manager's decision is totally within his/her

discretion and not subject to challenge or appeal per the dispute resolution process of the parties.

E. Superior - Subordinate Relationships

For the purpose of this section E, a superior-subordinate relationship is defined as a relationship in which a classification has the responsibility for the direct supervision of another classification.

In such a relationship, the superior shall be paid a monthly salary rate above his/her subordinates. When a subordinate's monthly salary rate is equal to or exceeds that which is being paid to his/her superior, the superior shall receive a special adjustment in an amount which is at least 2.75% above that received by his/her highest paid subordinate.

At any time the superior's base salary (excluding this salary adjustment) exceeds the base salary of his/her subordinates, the salary adjustment granted to him/her by this section shall be eliminated.

Excluded from salary computations are any bonuses paid, shift differentials, overtime payments, or any additional payment paid to a position.

F. Merit Bonus Program

The Merit Bonus is designed to recognize the exceptional performance of Management & Professional Employees. An Appointing Authority may make a recommendation to the City Manager, as submitted through the Human Resources Office, that an employee receive an amount equal to 1-10% of his/her base salary for such exceptional performance.

The bonus will be reviewed annually and shall not be treated as base salary. This bonus shall be in addition to any other provided by this MOU.

3. RECLASSIFICATION, PROMOTION, AND Y-RATING

A. Reclassification

When a position in the unit is reclassified upward, the employee in the position may be appointed to the reclassified position, providing that:

- 1) The employee has held the position which was reclassified for a minimum of ninety (90) days immediately prior to the reclassification; and
- 2) The employee meets the qualifications established for the reclassified position.

If the employee does not meet both of the above criteria, the reclassified position shall be filled through a recruitment process.

B. Y-Rating

The City may offer to “Y”-rate an employee whose position has been eliminated, reclassified downward or for some other reason which has caused the compensation of a position to be reduced. In the event an employee in a position is Y-rated the employee's monthly base salary shall not be increased until the monthly base salary of the position held by that employee exceeds the monthly salary paid to that employee.

C. Compensation After Promotion Or Upward Reclassification

Every employee who is promoted or who is appointed to a position which is reclassified upward shall be appointed to the first step of the salary schedule of the new classification or at least 5.5% above the step and schedule of his/her previous classification, whichever is higher.

4. WORK WEEK AND WORK SCHEDULES

The workweek for all members of the unit shall be 168 regularly recurring hours. For employees working the 5/8 or 4/10 work schedule, it shall begin on Sunday at 12:00 a.m. and end at 11:59 p.m. the following Saturday. For employees working the 9/80 work schedule, each employee's designated FLSA workweek (168 hours in length) shall begin exactly four hours after the start time of his/her eight hour shift on the day of the week that corresponds with the employee's alternating regular day off.

Every Employee is required to work a forty (40) hour workweek, unless otherwise provided by the City Manager.

- A 5/8 schedule consists of a weekly work schedule of 5 consecutive workdays, of 8 consecutive work hours each.
- A 9/80 schedule consists of alternate workweeks of 4 consecutive workdays of 9 consecutive hours each, followed by 5 consecutive workdays 4 consecutive days of which consist of 9 consecutive work hours each and 1 day of 8 consecutive work hours.
- A 4/10 schedule consists of a weekly work schedule of 4 consecutive workdays of 10 consecutive work hours each.

The Department Head retains the right to make de minimis changes to the start time of the employee(s) work schedule (i.e., changing the start time of an employee's workday by one hour or less from its regularly appointed time).

However, any other changes to an employee(s) work schedule may be made by mutual agreement of the parties. In the event a major schedule change (i.e., from a 4/10 to a 9/80

or vice versa) is proposed within a department or city wide, to which the employee(s) has objections or concerns, the Association may request to meet and confer prior to the implementation of the new schedule and the City will meet within 14 days.

5. LEAVES

A. Holidays

All 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 Day	3rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	1st Monday in September
Veteran's Day	November 11
Thanksgiving Day	4th Thursday in November
Day after Thanksgiving	Day after the 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 a holiday falls on a day which is an off day for employees working the 9/80 or 4/10 work schedules, the employee shall receive a floating holiday in lieu of the holiday. Floating holidays may be taken at each employee's discretion, subject to approval of the Department Head or designee. Generally, these floating holidays may be used after the holiday has occurred unless the employee requests to use the floating day contiguous to the actual holiday. If an employee does not use his/her floating holidays earned within the calendar year (with the exception of those floating holidays which are earned in November or December, in which case the employee will be able to use the floating holiday from that year for the first two months of the following year) in which the employee has received it, he/she will not earn an additional floating holiday in the next calendar year. The parties encourage employees in the unit to use their floating holidays. Since floating holidays cannot be removed from an employee once earned, and the parties do not want employees to ever have more floating holidays on the books than would be received within the current year, a floating holiday carried over at the end of the year results in the employee being unable to earn that holiday in the next calendar year. Department Heads or designees will not act unreasonably in granting requests to use floating holidays.

B. Personal Holiday

Employees shall be entitled to two additional paid holidays each fiscal year. These holidays may be taken at the employee's discretion subject to his/her Appointing

Authority's or designee's approval. The employee shall request these holidays in writing. If an employee does not use his/her personal holidays earned within the fiscal calendar year, he/she will not earn an additional personal holiday in the next fiscal calendar year. The parties encourage employees in the unit to use their personal holidays. Department Heads or designees will not act unreasonably in granting requests to use personal holidays.

C. Vacation

1. Authorization for Taking Vacation

Employees hired into this bargaining unit from outside the City must complete six months of service and obtain approval from the Appointing Authority, to take accrued vacation leave. However, if a bargaining unit member is promoted to another position within the unit, is transferred within the unit, or changes positions within the unit, he/she may be authorized to take vacation without having to wait six months

An employee entitled to vacation shall make written application therefore in the manner and within the time directed by the Appointing Authority. Every Appointing Authority or designee shall establish a vacation schedule for each calendar year based on employee requests and seniority and subject to the Appointing Authority's right to plan work under his/her control. Once vacation is approved it cannot be rescinded because an employee with more seniority requests vacation during the same time period. The Appointing Authority shall notify employees within a reasonable time whether their application is approved.

2. Holidays During Vacations

When a holiday falls within an employee's vacation leave, the day will count as a holiday, not vacation.

3. Vacation Accumulation

Vacation credit shall be accrued bi-weekly by Employees at the following rates:

FIRST YEAR OF SERVICE	BEGINNING THE 2ND YEAR THROUGH THE END OF THE 14TH YEAR OF SERVICE	BEGINNING THE 15TH YEAR OF SERVICE
3.07 Hours	4.60 Hours	6.13 Hours
Bi-weekly	Bi-weekly	Bi-weekly
80 hrs/year	120 hrs/year	160 hrs/year

Employees who have not completed more than four but not more than fourteen years of service may not accumulate more than 400 hours of vacation at any time. Such employees with 400 hours of accumulated vacation on the books will not continue to accrue vacation until their balance falls below 400 hours.

Employees with more than fourteen years of service whose vacation accumulation at the beginning of a calendar year is less than 400 hours may accumulate annual vacation which will result in their balance being above 400 hours. However, if at the end of any calendar year the vacation accumulation is above 400 hours, they will not continue to accrue vacation until the balance falls below 400 hours, whereupon they will then continue to accrue vacation during that calendar year.

At the end 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

Every Employee shall accrue sick leave at the rate of 3.68 hours for each complete bi-weekly period of employment. Sick leave shall be made available for employees to use upon the completion of six (6) months service in City employment.

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 Labor Code of the State. Any employee 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 vacation as when added to his/her disability indemnity will result in a payment to him/her of not more than his/her full salary.

2. Sick Leave Incentive

Employees who accumulate 72 hours or more of sick leave in any ~~fiscal~~ payroll year, may receive cash payment for up to 24 hours of such sick leave during the month of January of the next succeeding year. The sick leave shall be paid at the employee's then existing rate of pay. The limit of payoff shall be 24 hours per year.

E. Bereavement Leave

Bereavement leave is an absence occasioned by the death of a family member, herein defined as a spouse, parent, grandchild, brother, sister, child, step-child, grandparent, in-law or registered domestic partner of the employee

Up to a maximum of forty (40) hours of bereavement leave, per calendar year, (regardless of the number of family deaths) may be used in the event of the death of a family

member. 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 appointing authority and the Assistant Director of Administrative Services/Human Resources.

F. Witness Leave

Any employee who is required to serve as a witness pursuant to a lawful subpoena in any judicial or quasi judicial proceeding in a matter other than one to which the employee is a party, 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 § 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 appointing authority so that the request for jury duty can be considered relative to the pending projects of the department. This notification will give the appointing authority and employee an opportunity to discuss whether or not a postponement is necessary.

G. Professional Development Program

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

The granting of sabbatical leaves shall be at the sole discretion of the City Manager and not subject to a challenge, appeal or grievance if denied.

- 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/her city employment.
 - b. A plan for maintaining work continuity of the employee's duties and responsibilities during his/her absence, with emphasis placed on development of subordinates through training assignments.
 - c. Coordination with departmental priorities and workload.
 - d. Employee's performance record.

- (1) Sabbatical leaves may allow up to Five Hundred Dollars (\$500) for expenses.

Sabbatical leaves shall be restricted to one (1) leave, up to ninety calendar days, for each Employee each five (5) years, with not more than five (5) such employees participating in any one (1) year.

- (2) Each participant in Sabbatical Leave Programs shall submit to the City Manager reports summarizing his/her activities prior to final approval of such programs.
- (3) Typical Sabbatical Leave Programs might include internships, on-loan executive programs, educational programs, travel study programs, or authorship sabbaticals.

H. Leave Without Pay

Requests for leaves of absence without pay must be submitted to each employee's supervisor and approved by the employee's department head or designee and shall be used only if all appropriate accrued leaves (e.g., sick leave may not be exhausted if the leave is not for a medical purpose) have been exhausted. Employees on leave of absence without pay shall not accrue vacation, leave rights, nor shall the City pay for any fringe benefits, except as required by law. Decisions whether to grant such a leave will be made based on operational needs of the Department.

I. Administrative Leave

Each Employee will be granted 80 hours of Administrative Leave each calendar year (all of which is available for use starting on January 1 of each year, but which accrues (for purposes of cash-out in case a unit member leaves the City) pro-rata during each pay period throughout the year) pursuant to the following:

Administrative Leave shall be granted in recognition of work performed above normal work hours and the nature of the work performance and expectations placed upon Employees. Use of administrative leave shall be approved by the employee's department head or designee, noting the needs of the department and the necessity of having Management and Professional personnel available for the effective functioning of the department.

Administrative Leave as provided herein is non cumulative between calendar years. At the end of each calendar year, upon employee request, the employee will receive cash payment for up to 40 hours administrative leave earned but not taken as time off during the calendar year. If, after cashing out up to 40 hours of Administrative Leave an employee still has Administrative Leave on the books, for the following calendar year he/she will only accrue (during each pay period) that amount of Administrative Leave

which (when added to the carried over Administrative Leave from the prior calendar year) will result in the employee accruing 80 hours of leave. For example, if an employee has 60 hours of Administrative Leave at the end of the year and cashes out 40 of those hours, in the following calendar year, he/she will accrue 60 hours of Administrative Leave. This is so, notwithstanding that he/she may use his/her annual allotment of such leave during any time during the year

6. INSURANCE PROGRAM

A. Medical Insurance

~~The City contracts with the Public Employees' Retirement System for medical insurance. 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 industrial injury, the City shall pay the medical insurance premium of an employee and dependents if covered, to the limit of one month's coverage for each full year of said employee's City services.~~

~~The payment of premiums toward this medical insurance program will be through the administration of a flexible benefit package. The City shall pay the PERS statutory minimum (\$97.00 for 2008, \$101.00 for 2009 and yet still undetermined for 2010, 2011, 2012 and 2013) 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 PERS statutory minimum, flexible benefits shall be provided as follows:~~

- ~~1) For current employees, the City shall pay the difference between the PERS statutory minimum and the actual cost of medical insurance premiums up to full family coverage.~~
- ~~2) For retirees who retired (service retirement only) after July 1, 1981, with the exception of those employees hired or promoted into the bargaining unit on or after December 2, 1997, the City shall continue to pay the difference between the PERS statutory minimum and the actual cost of the medical insurance premium 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 single party coverage for the spouse up to the rate of the PERS Care Plan under PERS medical.~~
- ~~3) For employees hired or promoted into the Management & Professional group on or after December 2, 1997, the retiree health insurance benefit shall read as follows:~~

~~—————To qualify for this benefit, an employee shall:~~

- a. ~~Complete a minimum of 5 years of full time employment with the City of Beverly Hills which need not be entirely within the bargaining unit; and~~
- b. ~~Receive a service retirement from the City of Beverly Hills; and~~
- c. ~~Not perform any paid work in excess of 960 hours per fiscal year for a PERS contracting agency following retirement from the City of Beverly Hills.~~

~~Upon these conditions, the City shall continue to pay the difference between the PERS statutory minimum and the actual cost of medical insurance up to the single party rate of the PERSCare plan under PERS medical at the following rate:~~

- a. ~~The City will pay 25% of the cost of the insurance premium~~
- b. ~~The City will pay an additional 5% of the cost of the insurance premium for each year of employee total service with the City of Beverly Hills up to 20 years. For example, the City will pay 40% of the cost of the insurance premium after the completion of eight years, 60% after the completion of 12 years, 80% after the completion of 16 years and 100% after the completion of 20 years.~~
- c. ~~Employees who retire, as discussed above, with 20 or more years of total service with the City of Beverly Hills will be entitled to receive 100% of the cost of the difference between the PERS statutory minimum and the actual cost of the medical insurance up to the PERSCare single party insurance premium.~~
- d. ~~The City will not pay more than 100% of the cost of a retiree's insurance premium.~~

B. — Dental Insurance

~~The City shall contribute per employee the actual cost of the dental insurance up to the family coverage dental premium in the City dental plan.~~

C. — Life Insurance

~~Employees shall be entitled to a one hundred thousand dollars (\$100,000), 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.~~