



## AGENDA REPORT

**Meeting Date:** April 1, 2008

**Item Number:** F-8

**To:** Honorable Mayor & City Council

**From:** Roderick Wood, City Manager

**Subject:** A MOTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS AMENDING THE DEPARTMENT DIRECTOR, ASSISTANT DIRECTOR AND SENIOR MANAGEMENT EMPLOYEES COMPENSATION PLAN OF THE CITY OF BEVERLY HILLS AND A RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS FOR PAYING AND REPORTING TO THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS FOR SAFETY AND MISCELLANEOUS EMPLOYEES IN THE DEPARTMENT DIRECTOR, ASSISTANT DEPARTMENT DIRECTOR AND SENIOR MANAGEMENT GROUP.

**Attachments:**

1. CalPERS Resolution
2. Department Director, Assistant Director and Senior Management Compensation Plan

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### **RECOMMENDATION**

It is recommended that the City Council adopt the resolution implementing Government Code Section 20636(c)(4) pursuant to Government Code Section 20691 thus approving the reporting of CalPERS value of employer paid contributions- better known as PERS on PERS, and approve, by minute motion, the Department Director, Assistant Director and Senior Management Compensation Plan for FY2007-2008.

### **INTRODUCTION**

The Executive Employees Compensation Plan expired for the 2006-07 fiscal year. The City Manager has been working on an amended Department Director, Assistant Director and Senior Management plan to replace the previous plan using independent survey data, Council and staff input to develop a fair and equitable new compensation plan. The City Manager feels the amended plan makes the city competitive with our competition cities, continues internal integrity in benefits compared with other city represented associations and provides a balanced plan for both Department Director, Assistant Director and Senior Management employees and city taxpayers.

This is the first Phase of a two Phase renewal of the Plan. A second Phase amendment of the Plan will be brought forward to the City Council in another 3-4 months. This revision will contain the implementation of a formalized Employee Benefits Cafeteria Plan that meets all state and federal standards as well as other changes to keep employees "whole" in retiree health benefits owed, yet saves the City future unfunded liabilities costs.

## **DISCUSSION**

The Department Director, Assistant Director and Senior Management Compensation Plan Compensation Plan outlines compensation and benefits for our 34 executive employees. These employees are part of a unrepresented group. The City Manager has been working with the City's independent survey consultant in comparing salaries and benefits with other local cities that we consider our major competitors for the best and brightest employees.

The Plan fulfills many of the City Council's Vision Statements and one of the major initiatives of the City Council: To recruit and retain the best and most qualified employees for the City of Beverly Hills. Unlike most of the City's employees who are represented with a formal negotiator, the executive employees have no formal negotiator. The City Manager works with the affected staff, under City Council guidelines, to develop a plan.

This plan is for a period of one year, commencing September 29, 2007 and ending September 29, 2008, but can be extended by the City Manager until a new plan is adopted. The City Manager recommends the following amendments to the plan:

- Management Staff title changes as reflected in the amended plan
- An administrative change in the way our Administrative Leave benefit is accounted for- yet not changing the actual benefit amount itself as previously approved by Council.
- Implementing an employee mileage reimbursement provision, with a 25 mile daily "deductible"- since there is no car allowance for Department Director, Assistant Director and Senior Management employees.
- An administrative conversion of the city paid long term disability insurance to a mandatory employee paid taxable expense with a City offset. There is no additional city expense to this administrative conversion.
- Clarify the Management Compensation language in the compensation plan and set specific rates.
- Implement the reporting of the value of the Employer Paid Member Contribution (EMPC/PERS on PERS) benefit as required by Government Code Section 20636(c)(4) through resolution effective April 1, 2008. Any additional costs associated with this benefit will be paid for by the employee.
- Other minor changes including clarifying language, conforming language to meet current federal and state law changes, deleting old language and improving grammar.

**FISCAL IMPACT**

Any costs of the implementation of the reporting of the value of the Employer Paid Member Contribution (EMPC/PERS on PERS) benefit as required by Government Code Section 20636(c)(4) will be paid for by the employees themselves. There are no other material costs associated with the changes as outlined earlier in the revised compensation plan.

  
\_\_\_\_\_  
Finance Approval

  
\_\_\_\_\_  
City Manager Approval

RESOLUTION NO. 08-R-

RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS FOR PAYING AND REPORTING TO THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS FOR SAFETY AND MISCELLANEOUS EMPLOYEES IN THE DEPARTMENT DIRECTOR, ASSISTANT DEPARTMENT DIRECTOR AND SENIOR MANAGEMENT GROUP.

WHEREAS the Council of the City of Beverly Hills (the "Council") has the authority to implement Government Code Section 20636(c)(4) pursuant to Government Code Section 20691;

WHEREAS, the Council has a written labor policy or agreement which specifically provides for the normal member contributions to be paid by the employer and reported as additional compensation;

WHEREAS, one of the steps in the procedures to implement Government Code Section 20691 is the adoption by the Council of a resolution to commence paying and reporting the value of said Employer Paid Member Contributions (EPMC);

WHEREAS, the Council has identified the following conditions for the purpose of its election to pay EPMC :

- This benefit shall apply to all employees in the Department Director, Assistant Department Director and Senior Management Group.
- This benefit shall consist of paying one hundred percent (100%) of the normal contributions as EPMC, and reporting the same percent (value) of compensation

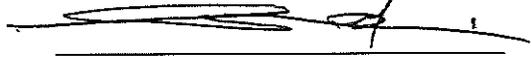
APPROVED AS TO FORM:



(for BDD)

LAURENCE S. WIENER  
City Attorney

APPROVED AS TO CONTENT:



SCOTT G. MILLER  
Director of Administrative Services/  
Chief Financial Officer

earnable (excluding Government Code Section 20636(c)(4)) as additional compensation.

NOW THEREFORE, the Council of the City of Beverly Hills does hereby resolve as follows:

Section 1. The City Council hereby elects to pay and report the value of EPMC, as set forth above, effective April 1, 2008.

Section 2. The Chief Financial Officer or his/her designate shall oversee the City's compliance with this resolution.

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

Adopted:

CITY OF BEVERLY HILLS  
A Municipal Corporation

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

ATTEST:

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

[Signatures continue]



## I. CITY COUNCIL AND CITY TREASURER COMPENSATION

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

## II. CITY CLERK

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

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

## III. CITY MANAGER RESPONSIBILITIES AND AUTHORITY

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

The City Manager has authority to set base pay rates for the positions included

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

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

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

Senior Management

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

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

V. MANAGEMENT COMPENSATION PAY

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

VI. LEAVES

A. Holidays

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

New Year's Day	January 1
Martin Luther King Day	3rd Monday in January
President's Day	3rd Monday in February
Memorial Day	Last Monday in May

Independence Day	July 4
Labor Day	First Monday in September
Veteran's Day	November 11
Thanksgiving Day	Fourth Thursday in November
Day after Thanksgiving	Day after 4th Thursday in November
Christmas Day	December 25

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

B. Personal Holiday

Department Director, Assistant Department Director and Senior Management employees shall be entitled to two paid personal holidays each calendar year. Said holidays may be taken at the employee's discretion subject to their supervisor's approval. Said holidays are non-accruable and shall not be paid for if not taken.

C. Vacations

1. Authorization for Taking Vacation

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

2. Holidays During Vacations

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

3. Vacation Accumulation

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

<u>FIRST YEAR OF SERVICE</u>	<u>BEGINNING THE 2ND YEAR OF SERVICE</u>	<u>AFTER 14 YEARS OF SERVICE</u>
3.07 Hours	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.

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

1. Job Connected Disability

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

2. Sick Leave Incentive

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

E. Bereavement Leave

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

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

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

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

I. Miscellaneous Paid Leave

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

VII. INSURANCE PROGRAMS

A. Medical Insurance

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

In the event an employee is on leave without pay as a result of an illness or injury and has exhausted 50% of vacation leave and all sick leave credit and all City Manager granted leave per Section VI(J) of this Plan, the City shall pay the health 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 the premium for employees and dependents, if any, for hospital and medical benefits during the continuous periods of an

employee's absence if caused by an injury or job related illness while on duty. The schedule of payment shall be at the rate of one month's premium contribution for each year of service or major portion thereof.

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

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

- 1) For active Department Director, Assistant Department Director and Senior Management employees, the City shall pay the difference between the minimum required under Government Code Section 22892 (b)(1)(E) or its successor and the actual cost of medical insurance premiums up to the full family coverage of the PERSCare 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 after December 2, 1997, the City shall continue to pay the difference between the minimum required under Government Code Section 22892 (b)(1)(E) or its successor and the actual cost of medical insurance premiums up to the two party rate of the PERS Care Plan under CalPERS. In the event of the death of a retired employee, the City shall continue to pay the single party coverage rate of the PERS Care Plan under PERS for the spouse or registered domestic partner.
- 3) For employees hired or promoted as a Department Director, Assistant Department Director and/or a Senior Management employee on or after December 2, 1997, the retiree health 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)(1)(E) or its successor and the actual cost of medical insurance up to the two-party rate of the PERSCare plan under PERS at the following rate:

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

by the Government Code and the Public Employees Retirement System.

B. Dental Insurance

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

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

The City shall provide to each Department Director, Assistant Department Director and Senior Management employee extended disability base pay and benefit (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 D above, whichever occurs first, the City's Extended Disability Base Pay and Benefits Continuance shall stop. To qualify for this pay and benefits continuance, an employee must notify the Human Resources Division in writing immediately upon becoming aware that an injury or illness may result in a long term disability. Human Resources, in consultation with the Risk Management 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 Assistant Director of Administrative Services-Human Resources after consultation with the Risk Management Division, 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 an optical/vision insurance plan 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 the

retiree optical/vision plan based on availability, market conditions and other factors.

VIII. PAY FOR PERFORMANCE PROGRAM

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

IX. UNIFORM ALLOWANCES

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

X. RETIREMENT

A. 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/Assistant Director and Assistant Police Chief effective April 1, 2008; and the City will report the monetary value of those normal contributions paid by the City on behalf of each employee (known as "employer paid member contribution") as compensation earnable.

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

C. 1959 Survivors benefit

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

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

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

XI. SEPARATION FROM CITY SERVICE

A. Sick Leave Pay-Off

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

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

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 shall receive said pay at the time of termination.

B. Vacation and Administrative Leave Pay Off

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

An employee who terminates from City service shall receive a pro-rated amount of administrative leave unused during the calendar year of departure at the rate of 10 hours per month up to a maximum of 80 hours.

## XII. DEFERRED COMPENSATION

### A. City Contribution

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

### B. Conversion of Sick Leave to Deferred Compensation

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

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