

RESOLUTION NO. 8289

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO, CALIFORNIA, ESTABLISHING THE SALARY AND BENEFITS FOR CERTAIN EMPLOYEES IN CLASSIFICATIONS DESIGNATED AS DEPARTMENT HEADS AND RESCINDING RESOLUTION NO. 7973 AND RESCINDING RESOLUTION NO. 7973(A)

WHEREAS, under California State Law, the City Council is vested with the authority to designate classifications as being Department Heads; and

WHEREAS, the City Council has established and designated the following classifications as Department Heads; (1) City Clerk, (2) Deputy City Manager/Economic Development, (3) Director of Community Development, (4) Director of Finance, (5) Director of Public Works, (6) Director of Recreation and Community Services, (7) Police Chief; and

WHEREAS, the classification designated as department heads of the City of San Fernando as critical to the City's efficient and effective operations, the City Council recognizes the management nature and responsibilities of the positions; and

WHEREAS, the City Council desires to provide competitive salary and benefits to its employees; and

WHEREAS, the City Council desires to provide competitive salary and benefits to its employees and update the salary schedules for the Director of Recreation and Community Services and City Clerk; and

WHEREAS, the City Council desires to place the Director of Recreation and Community Services to DH 77 Step A and the City Clerk at DH 74 Step D; and

WHEREAS, the City of San Fernando intends to provide adjustments effective the first day of the first pay period that includes January 1, 2024, to employees in Department Head classification; and

WHEREAS, the City Council has determined that it is appropriate to provide economic adjustments to employees and Department Head classifications that are consistent with negotiated provisions in other recognized bargaining units in the City.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO DOES HEREBY RESOLVE, FIND, DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1: Approve the wages, benefits, and terms and conditions of employment for the employees in Department Head classifications as outlined in the attached Exhibit "1."

SECTION 2: The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the Office of the City Clerk.

PASSED, APPROVED, AND ADOPTED this 18th day of March 2024.



Celeste T. Rodriguez, Mayor of the City of
San Fernando, California

ATTEST:



Julia Fritz, City Clerk

CERTIFICATION

I, City Clerk of the City of San Fernando, California, do hereby certify that the foregoing is a full, true, and correct copy of Resolution No. 8289, which was regularly introduced and adopted by the City Council of the City of San Fernando, California, at a regular meeting thereof held on the 18th day of March 2024, by the following vote of the City Council:

AYES: Fajardo, Mendoza, Rodriguez - 3

NAYS: None

ABSENT: Solorio - 1

ABSTAINED: None

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Fernando, California, this 21st day of March, 2024.



Julia Fritz, City Clerk

Upon the City Council's adoption of Resolution No. 8289, the compensation, benefits plan, and terms and conditions of employment for employees in classifications designated as Department Heads will be as set forth below.

SECTION 1. DEPARTMENT HEAD CLASSIFICATIONS:

- City Clerk
- Deputy City Manager/Economic Development
- Director of Community Development
- Director of Finance
- Director of Public Works
- Director of Recreation and Community Services
- Police Chief

SECTION 2. SALARY:

The base salary for each employee subject to this Resolution shall be adjusted as follows:

- Effective on the first day of the first pay period including January 1, 2024, the employee's base salary shall be increased by four percent (4.0%).
- Effective on the first day of the first pay period including July 1, 2024, the employee's base salary shall be increased by four percent (4.0%).
- Effective on the first day of the first pay period including July 1, 2025, the employee's base salary shall be increased by five percent (5.0%).
- Effective on the first day of the first pay period including July 1, 2026, the employee's base salary shall be increased by five percent (5.0%).
- Effective on the first day of the first pay period including July 1, 2027, the employee's base salary shall be increased by four percent (4.0%).

SECTION 3. SPECIAL PAY:

Longevity

Department Heads that have completed 10 years of service from date of hire will receive an additional three percent (3%) over and above the base salary step.

Department Heads that have completed 20 years of service from date of hire will receive a total of four percent (4%) over and above the base salary.

Department Heads that have completed 30 years of service from date of hire will receive a total of five percent (5%) over and above the base salary.

Department Heads on leave of absence without pay, with the exception of Family & Medical Leave (FMLA), shall not have such leave time credited as service time for purposes of calculating the years of service.

Bilingual Pay

The City shall provide Bilingual Pay of \$46.15 per pay period to Department Heads that satisfy the following conditions:

1. Department Head has satisfactorily demonstrated to the City his/her fluency in the Spanish language, based on written and/or oral testing procedures as selected by the City; and
2. Employee is required in the normal course of his/her duties to communicate in Spanish with members of the public, as determined by and approved in writing by the City Manager.

To the extent permitted by law, this pay shall be reported to CalPERS as compensation earnable and pensionable compensation pursuant to C.C.R. §571(a)(4) and C.C.R. §571.1(b)(3), Bilingual Premium.

Acting Pay

Department Heads who, by written assignment, perform the duties of a position with a higher salary classification than that in which they are regularly employed shall receive the compensation specified for the position to which assigned, if performing the duties thereof for a period of fifteen (15) or more consecutive work days. The increased compensation shall be retroactive to the first day of said assignment, and at the step within the higher classification as will accord the employee an increase of at least 5% of his or her current regular compensation.

Deputy City Manager Designation

The City Manager may, at his or her discretion, designate no more than one (1) Department Head as Deputy City Manager. In addition to the duties and responsibilities included in the Department Head's regular classification, the Deputy City Manager designation will be responsible for assisting the City Manager with general City administrative duties, as assigned, and will assume the responsibilities of the City Manager during the City Manager's absence. A Department Head designated as Deputy City Manager will receive ten percent (10%) special assignment pay on top of their base salary.

SECTION 4. EMPLOYEE AND RETIREE INSURANCE BENEFITS:

Medical, Dental and Vision Insurance for Active Employees

The City contracts with the California Public Employees' Retirement System (CalPERS) for medical insurance coverage. Eligible new hires are covered under the program on the first day of the month following enrollment. The City will contribute the Public Employee's Medical and Hospital Care Act (PEMHCA) statutory minimum on behalf of each participant in the program. A participant is defined as:

1. An enrolled employee and eligible dependents;
2. An enrolled retiree and eligible dependents; and
3. A surviving annuitant.

The City will provide Department Heads with a full flex cafeteria plan in accordance with IRS Code Section 125. Department Heads shall receive a monthly flex dollar allowance to purchase medical, dental and vision benefits offered through the City's insurance plans.

For 2024, the monthly flex dollar allowances for employees purchasing benefits under the cafeteria plan, inclusive of the statutory PEMHCA minimum, are as follows:

| | January 1, 2024 |
|-----------------------|------------------------|
| Employee only: | \$1,049.24 |
| Employee + 1: | \$1,808.87 |
| Family: | \$2,430.92 |

The monthly flex dollar allowance may be used in accordance with the terms of the cafeteria plan to purchase benefits offered under the cafeteria plan and other supplementary products. After enrolling in a mandatory medical insurance plan, or opting out under the "Opt Out" provision below, Department Heads have the option to waive the other benefits and have the excess flex dollars converted to taxable income or purchase other supplementary products.

In the event that premiums and/or costs for the selected benefits exceed the monthly flex dollar allowance, the balance will be paid by the employee through automatic pre-tax payroll deduction, as permitted under IRS Code Section 125.

Each January 1, the monthly dollar allowance, inclusive of the statutory PEMHCA minimum, will be adjusted based on the average change from the prior year's monthly premium from CalPERS contracting agencies in the Los Angeles Area Region for all plans. The adjustment will not be less than 0.0% and will not exceed 4.0%.

If any bargaining unit negotiates a flex dollar allowance that exceeds the amounts identified above, the City will adjust the flex dollar allowance for Department Heads to match the higher flex dollar amount.

Opt Out

Department Heads may elect to discontinue participation in the CalPERS Medical Insurance Plan coverage ("Opt Out"), subject to the provisions set forth below. The intent of this provision is to share premium savings that the City will receive as a result of a Department Head canceling City coverage.

1. Department Heads electing to waive City medical insurance coverage for themselves and all eligible family members must annually provide the City with proof of other health/medical insurance coverage that meets the minimum essential coverage requirements, as established by the Affordable Care Act, through another source (other than coverage in the individual market, whether or not obtained through Covered California, and must waive any liability to the City for their decision to cease coverage under the City's Medical Insurance Plan.
2. For Department Heads that elect to opt-out of City medical coverage, the City shall deposit, on behalf of the employee, an amount equal to the most expensive family level dental and vision premiums (currently \$210/month) each month into Retiree Health Savings Account.
3. After electing to Opt Out, a Department Head who later requests to re-enroll under the City plan can only do so during the open enrollment period or after a qualifying event as permitted by the insurance carrier and Cafeteria Plan regulations.
4. For medical insurance plans, when a unit employee is the spouse of another benefited employee, the affected employees shall have the option of:
 - a. Receiving a flex dollar amount and selecting coverage as a single employee; or
 - b. One (1) employee may select a plan and list the spouse as a dependent under the two-party or family coverage, as applicable and the remaining employee may opt-out as outlined above.

Medical Insurance for Retirees

The City provides Medical Insurance for Retirees as follows:

1. Retiree Medical Tier I: Department Heads hired on or before June 30, 2015 and who retire on or after July 1, 2015:

If the employee meets the vesting schedule set forth in California Government Code Section 22893, 100% paid medical insurance benefits for whatever plan is selected by the employee for himself/herself and eligible dependents, except that if the employee chooses the most expensive plan, the employee will pay the difference in premiums.

2. Retiree Medical Tier II: Department Heads hired on or after July 1, 2015:

If the employee meets the vesting schedule set forth in California Government Code Section 22893, PEMHCA minimum (currently \$157 per month for 2024).

Retiree Health Savings Account

For Department Heads that are in Retiree Medical Tier II as described above, and effective the pay period that includes January 1, 2024, the City will contribute \$150 per pay period into a Retiree Medical Trust (RMT) or Retiree Health Savings (RHS) Plan, whichever is designated by the City. An employee may elect to contribute an additional amount to the RMT or RHS, at his or her option.

Life Insurance

The City shall provide all Department Heads with a \$50,000 Basic Life and AD&D insurance policy at no cost to the employee.

SECTION 5. RETIREMENT:

The City shall provide retirement benefits to eligible employees through the California Public Employees' Retirement System (CalPERS) as follows: The definition of "new" member and "classic" member are set forth in the Public Employee Pension Reform Act of 2013 (PEPRA).

First Tier: "Classic" members hired prior to November 12, 2005 will receive the 3% at 60, single highest year compensation retirement calculation.

Second Tier: "Classic" members hired on or after November 12, 2005 will receive the 2% at 55, final 36-month average compensation retirement calculation.

Third Tier: "New" members hired on or after January 1, 2013 will receive the 2% at 62, final 36-month average compensation retirement calculation.

In accordance with the existing contracts with CalPERS, the City shall provide the following retirement benefits to employees:

- a. Fourth Level of 1959 Survivor Benefits (Government Code Section 21574).
- b. 5% Cost of Living Allowance (COLA) for employees hired on or before November 12, 2005; and 3% COLA for employees hired after November 12, 2005 (Government Code Section 21335).
- c. Credit for unused sick leave for employees as per CalPERS guidelines (Government Code Section 20965).

Retirement benefits applicable to the Police Chief only are included in Article 3. RETIREMENT BENEFITS, Sections 3.01 – 3.03, of the Memorandum of Understanding between the San Fernando Police Officers Association and the City of San Fernando for the term January 1, 2024 through June 30, 2028.

CalPERS Contributions

1. Employer Paid Members Contributions for Classic Members

The City shall pay 8.0% of the member contribution for First Tier "classic" members and 7.0% of the member contribution for Second Tier "classic" members.

The City's payments, above, shall be treated as a "pick up" of employee contributions pursuant to IRC 414(h)(2).

The City shall report the value of the Employer Paid Member Contribution ("EPMC") to CalPERS as compensation earnable on behalf of each Department Head, pursuant to California Government Code Section 20636(c)(4).

2. PEPRA Member Contributions

In accordance with PEPRA, "New" members shall pay, by pre-tax payroll deduction, the full employee contribution of 50% of the total normal cost.

3. CalPERS Cost Sharing

Classic Employees shall pay 4% as cost sharing in accordance with Government Code section 20516(f)

SECTION 6. LEAVE BENEFITS:

Management Leave

Management leave provides a means of compensation for hours worked by exempt employees beyond their normal work schedule. The City shall provide Department Heads with one hundred twenty (120) hours of Management Leave per year credited each January 1. Management Leave must be used in the year earned and cannot be carried over from one calendar year to the next. Unused management leave hours will be cashed out in December of each year at the employee's current rate of pay. At the time of separation, any unused management leave hours will be paid at the employee's current rate of pay.

Annual Leave

Department Heads earn Annual Leave in lieu of vacation and sick leave. Annual Leave is intended to provide time for an employee to be away from the work environment and to enable such employee to return to work mentally and physically refreshed.

The City shall provide for Annual Leave to accrue on a payroll-to-payroll basis prorated in accordance with the following rates.

- 0 – 4 years of City service: 6.15 hours per pay period (160/year)
- 5 – 9 years of City service: 7.69 hours per pay period (200/year)
- 10 or more years of City service: 9.23 hours per pay period (240/year)

Department Heads who have pre-existing sick leave and/or vacation accrual balances shall convert sick leave to annual leave at the rate of one hour of sick leave to 0.5 hours of annual leave; and convert vacation to annual leave at the rate of one hour of vacation to one hour of annual leave.

Department Heads may, at the employee's discretion, accrue up to four hundred (400) hours of Annual Leave. Upon separation from City service, the employee shall be compensated for any unused Annual Leave at his or her regular rate of pay.

Holiday Leave

Each Department Head shall be entitled to the following holidays with pay (8 hours per holiday):

- | | |
|--|-----------------------------|
| (1) New Year's Day | (8) Labor Day |
| (2) Martin Luther King, Jr. Day | (9) Veterans Day |
| (3) Presidents' Day | (10) Thanksgiving Day |
| (4) Cesar Chavez Day | (11) Day after Thanksgiving |
| (5) Memorial Day | (12) Christmas Day |
| (6) Juneteenth National Independence Day | (13) Floating Holiday |
| (7) Independence Day | |

Floating holiday hours are credited each January 1 and must be used before December 30. Unused floating holiday hours are not carried forward.

Bereavement Leave

Department Heads shall be permitted to use up to five (5) days of paid bereavement leave following the death of an immediate family member and one (1) paid day following the death of an extended family member.

For the purposes of this benefit, "Immediate Family" shall mean grandparent, parent, child, sibling (including step or half), spouse, or registered domestic partner as permitted by California law, or any person living in the household. Proof of residence may be required. "Parent" shall mean biological, foster, or adoptive parent, stepparent, legal guardian or person who has parental rights to employee. "Child" shall mean a biological, adopted, or foster child, stepchild, legal ward or a child of a person who has parent's rights.

For the purpose of implementing this benefit, "Extended Family" shall mean: Aunts, Uncles, and Cousins, god-parents or god-parent equivalent.

The City Manager may authorize additional days of leave for bereavement purposes on an as-needed basis.

SECTION 7. WORK SCHEDULE:

Department Heads shall devote not less than 40 hours per week to assigned duties. It is recognized that Department Heads may need to devote more time outside of normal office hours for the benefit of the City.

SECTION 8. REIMBURSEMENTS:

Tuition Reimbursements

The City shall reimburse Department Heads for pre-approved courses to a maximum of \$3,000 per fiscal year. Approval must be obtained from the City Manager prior to enrolling in the course. Requests for reimbursement and approval must be in accordance with the City's policy on tuition reimbursement.

Tuition reimbursement shall be contingent upon employee satisfactorily completing course(s) with a minimum of a "B" grade and commit to continued service (employment) to the City of San Fernando for the equivalent of the school units, not to exceed two (2) years.

Wellness Reimbursement

To encourage the health and well-being of employees, the City shall reimburse certain wellness expenses in an amount not to exceed \$750 each fiscal year. Employees must request reimbursement using a City-approved form and supply valid receipts at time of reimbursement. Unused funds will not be carried over to the following fiscal year.

The following are reimbursable items under this section:

- a. Medical examination by the health provider of the employee's choice.
- b. Other formal wellness programs provided by professionals (e.g. smoking cessation, weight control, nutrition, or similar programs.)

- c. Reimbursement for employee or eligible dependent medical expenses (deductibles or co-payments) not covered by the employee's health, dental, or vision insurance.
- d. Reimbursement for medical, vision, and dental insurance premiums in excess of the monthly flex dollar allowance, if applicable.
- e. Additional contact lenses, prescription glasses, or prescription sunglasses not covered by medical or vision insurance.
- f. Dental work (included orthodontia) for employee or eligible dependents not covered by medical or dental insurance.
- g. Membership in a health club or fitness center.
- h. Registration fees for health classes (e.g. yoga, cross fit, etc.).
- i. Entrance fees for competitive sporting events (e.g. bicycle or running race, mud run competition, et cetera).

Technology Reimbursement

Department Heads may elect to receive a technology reimbursement of \$125/month in lieu of a City-issued cell phone. Department Heads that continue to receive a City-issued cell phone will not receive the reimbursement.

SECTION 9. CAR ALLOWANCE:

Department Heads will receive a City-provided vehicle or car allowance of \$400/month as compensation for attendance at off-site meetings, conferences, professional development, and any other business-related travel. Department Heads receiving a City-provided vehicle or car allowance will not be reimbursed for mileage.

SECTION 10. SEVERANCE PAY:

Department Heads are considered at-will employees and serve at the pleasure of the City Manager. If a Department Head is dismissed or discharged without cause, the City will provide the employee up to three (3) months' severance pay. Severance pay shall be calculated on base salary only, and on years of service with the City at a rate of one (1) month per one (1) year of service. In the event a Department Head is dismissed for cause, the City shall have no obligation to pay severance benefits.

After receiving written notice of dismissal from the City, Department Heads may elect to be placed on administrative leave for an amount of time equal to their earned severance pay (i.e. up to three months) instead of receiving a lump-sum payout. The employee must notify the City of their election within three (3) business days of receiving written notice of dismissal.

SECTION 11. EMPLOYMENT CONTRACTS

The City Manager, with the approval as to form by the City Attorney, may execute a separate employment contract with any Department Head provided the benefits included in the contract do not exceed the benefits listed in this Resolution. Benefits listed in this Resolution shall govern unless otherwise provided in the Department Head's employment contract.

SECTION 12. PROVISIONS OF LAW AND SEVERABILITY:

The parties agree that this Resolution is subject to all current and future applicable federal, state, and local laws.

If any article, part, or provision of this Resolution is in conflict with or inconsistent with applicable provisions of federal, state or local law, or is otherwise held to be invalid or unenforceable by a court of competent jurisdiction, such article, part, or provision thereof shall be suspended or superseded by such applicable law or regulation, and the remainder of the Resolution shall not be affected thereby.