

RESOLUTION NO. 10345 (2012 Series)

**A RESOLUTION OF THE CITY OF SAN LUIS OBISPO REGARDING
COMPENSATION FOR THE UNREPRESENTED CONFIDENTIAL EMPLOYEES
AND SUPERSEDING PREVIOUS RESOLUTIONS IN CONFLICT**

WHEREAS, the unrepresented confidential employees (Administration Executive Assistant, Human Resources Administrative Assistant, Legal Assistant/Paralegal, and Human Resources Specialist) of the City of San Luis Obispo met to identify sustainable reductions in total compensation costs to achieve Council's labor relations objectives to reduce total compensation costs and implement sustainable pension cost containment and reductions; and

WHEREAS, the unrepresented confidential employees acknowledge the fiscal challenges facing the City of San Luis Obispo and are committed to working with the City to help achieve long-term sustainable solutions; and

WHEREAS, the unrepresented confidential employees have demonstrated sensitivity to the fiscal challenges facing the City by agreeing to no across the board salary increases (e.g. "cost of living" increases) since December 2010; and

WHEREAS, the unrepresented confidential employees have also agreed to no increases in the City's contribution to health care for the past two calendar years, while medical premiums have increased in that same timeframe and will increase again in 2012; and

WHEREAS, the unrepresented confidential employees remain committed to providing high quality service to the citizens of San Luis Obispo in an efficient and effective manner.

NOW, THEREFORE, BE IT RESOLVED, that the Council of the City of San Luis Obispo hereby revises unrepresented confidential employees compensation as follows:

SECTION 1. Unrepresented confidential employees will begin paying three percent of the Member Contribution to CalPERS effective June 28, 2012, six percent effective January 24, 2013 and the full eight percent effective June 27, 2013. The City will continue to report the Member Contribution paid by the City as additional compensation to CalPERS until June 27, 2013.

SECTION 2. There will be no across the board salary increases (e.g. "cost of living" increases).

SECTION 3. There will be no increase to the City's health contribution.

SECTION 4. The City shall continue to provide employees certain fringe benefits as set forth in Exhibit "A", fully incorporated by reference.

SECTION 5. Unrepresented confidential employees acknowledge the City's need to achieve long-term financial sustainability and pension cost reductions through the establishment of a second tier retirement formula for new employees. If the City amends the CalPERS

Miscellaneous contract to provide a second tier retirement formula, confidential employees will participate as required by CalPERS.

SECTION 6. All prior resolutions relating to unrepresented confidential employees compensation and benefits are hereby superseded to the extent inconsistent with this resolution.

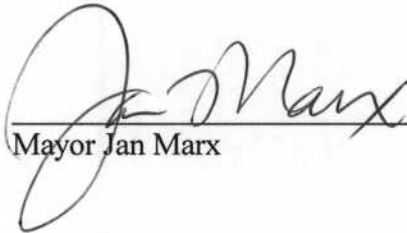
SECTION 7. This resolution shall be in effect from January 1, 2012 through December 31, 2013.

SECTION 8. The Director of Finance and Information Technology shall reduce the appropriate accounts to reflect the compensation changes.

Upon motion of Council Member Ashbaugh, seconded by Council Member Smith, and on the following vote:


AYES: Council Members Ashbaugh, Carter and Smith, Vice Mayor Carpenter and Mayor Marx
NOES: None
ABSENT: None

The foregoing resolution was adopted this 10th day of April 2012.




Mayor Jan Marx

ATTEST:



Sheryll Schroeder
Interim City Clerk

APPROVED AS TO FORM:



J. Christine Dietrick
City Attorney



CONFIDENTIAL EMPLOYEES FRINGE BENEFITS 2012**Section A Medical, Dental, Vision**

The City shall establish and maintain medical, dental and vision insurance plans for confidential employees and their dependents. The City reserves the right to choose the method of insuring and plans to be offered.

The City has elected to participate in the PERS Health Benefit Program pursuant to the Public Employees' Medical and Hospital Care Act (PEMHCA) with the "unequal contribution option" at the PERS minimum contribution rates, \$112 per month for active employees and \$106 for retirees as of January 1, 2012. The City's contribution toward retirees shall be increased by 5% per year of the City's contribution for the active employees until such time as contributions for employees and retirees are equal.

Employees with proof of medical insurance elsewhere are not required to participate in the medical insurance plan and may receive the unused portion of the City's contribution (after dental and vision insurance is deducted) in cash in accordance with the City's cafeteria plan. Those employees will be assessed \$16.00 per month to be placed in the Retiree Health Insurance Account. This account will be used to fund the City's contribution toward retiree premiums and the City's costs for the Public Employees' Contingency Reserve Fund and Administrative Costs. However, there is no requirement that these funds be used exclusively for this purpose, nor any guarantee that they will be sufficient to fund retiree health costs, although they will be used for employee benefits.

Employees will be required to participate in the City's dental and vision plans at the employee-only rate. Should they elect to cover dependents in the City's dental and vision plans, they may do so, even if they do not have dependent coverage for medical insurance.

Employees shall participate in term life insurance of \$4,000 through payroll deduction as a part of the cafeteria plan.

Section B Cafeteria Plan Contribution

The City's contribution to the Cafeteria Plan for regular, full-time employees will remain the same as the 2010 amounts.

Employee Only	\$469 monthly
Employee + 1	\$928 monthly
Employee + Family	\$1255 monthly

Employees with proof of medical insurance elsewhere may elect to opt out of the City's medical plan and receive a \$200 cafeteria contribution. Employees who opted out of the City's medical insurance coverage and were hired prior to August 31, 2008 were "grandfathered" in at the \$790 per month contribution level, until that time when they elected to be covered under the tiered contribution structure. An employee elects to be covered under the tiered contribution structure

when he or she enrolls as an employee only or with dependents (employee plus one or family). At that time the employee would no longer be grandfathered in at the \$790 per month contribution, but would receive the tiered contribution amount.

Employees hired prior to August 31, 2008 that had employee only medical insurance coverage were "grandfathered" in at the \$790 per month contribution level, until such time when they added dependents or opted out. At that time the employee would no longer be grandfathered in at the \$790 per month contribution, but would receive the tiered contribution amount.

Less than full-time employees shall receive a prorated share of the City's contribution.

The City agrees to continue its contribution to the cafeteria plan for two (2) pay periods in the event that an employee has exhausted all paid time off due to an employee's catastrophic illness.

Section C **Life and Disability Insurance**

The City shall provide the following special insurance benefits:

1. Long-term disability insurance providing 66 2/3% of gross salary (maximum benefit \$5,000 per month) to age 65 for any sickness or accident, subject to the exclusions in the long-term disability policy, after a 30-day waiting period.
2. In addition to \$4,000 term life insurance purchased by the employee through the cafeteria plan \$25,000 term life insurance, including accidental death and dismemberment.

Section D **Retirement**

The City shall provide the California Public Employees' Retirement System's (CalPERS) 2.7% at 55 plan to all eligible employees including the amendments permitting conversion of unused sick leave to additional retirement credit, the 1959 survivor's benefit (Level Four), one year final compensation, and pre-retirement Option 2 death benefit.

The City shall no longer report as salary all Employer-Paid Member Contributions (EPMC) to CalPERS for the purposes of retirement credit in accordance with Government Code Section 20636 (c) (4) effective June 27, 2013.

Section E **Vacation**

Vacation leave is governed by section 2.36.440 of the Municipal Code, except that it may be taken after the completion of the sixth calendar month of service since the benefit date. Vacation leave shall be accrued as earned each payroll period provided that not more than twice the annual rate may be carried over to a new calendar year.

Vacation schedules for confidential employees shall be based upon the needs of the City and then, insofar as possible, upon the wishes of the employee. A department head may not deny a

confidential employee's vacation request if such denial will result in the loss of vacation accrual by the employee, except that, a department head may approve a two-month extension of maximum vacation accrual. However, in no event shall more than one such extension be granted in any calendar year.

Confidential employees are eligible, once annually in December, to request payment for up to 40 hours of unused vacation provided that an employee's overall performance and attendance practices are satisfactory.

Section F **Administrative Leave**

Confidential employees shall be granted 12 hours of administrative leave per calendar year.

Section G **Holidays**

Confidential employees shall receive 11 fixed plus 2 floating holidays per year. The floating holidays shall be accrued on a semi-monthly basis and added to the vacation accrual.

Section H **Sick Leave**

Sick leave is governed by section 2.36.420 of the Municipal Code. An employee may take up to 16 hours per year of sick leave if required to be away from the job to personally care for a member of his/her immediate family as defined in Section 2.36.420. This may be extended to 40 hours per year if the family member is part of the employee's household and to 56 hours if a household family member is hospitalized and the employee submits written verification of such hospitalization. If the family member is a child, parent or spouse, an employee may use up to 48 hours annually to attend to the illness of the child, parent or spouse, instead of the lesser maximums above, in accordance with Labor Code Section 233.

In conjunction with existing leave benefits, confidential employees with one year of City service who have worked at least 1,250 hours in the previous year may be eligible for up to 12 weeks of Family/Medical Leave in accordance with the federal Family and Medical Leave Act and the California Family Rights Act.

Sick leave may be used to be absent from duty due to the death of a member of the employee's immediate family as defined in Section 2.36.420, provided such leave shall not exceed forty working hours for each incident. The employee may be required to submit proof of relative's death before being granted sick leave pay. False information concerning the death or relationship shall be cause for discharge.

Upon termination of employment by death or retirement, a percentage of the dollar value of the employee's accumulated sick leave will be paid to the employee, or the designated beneficiary or beneficiaries according to the following schedule:

- (A) Death – 25%
- (B) Retirement and actual commencement of CalPERS benefits:

- (1) After ten years of continuous employment – 10%
- (2) After twenty years of continuous employment – 15%
- (3) After twenty-five years of continuous employment – 20%
- (4) After thirty years of continuous employment – 25%

Section I **Workers' Compensation Leave**

An employee who is absent from duty because of an on-the-job injury in accordance with State workers' compensation law and is not eligible for disability payments under Labor Code Section 4850 shall be paid the difference between his/her base salary and the amount provided by workers' compensation law during the first ninety (90) business days of such temporary disability absence. Eligibility for workers' compensation leave requires an open workers' compensation claim.