RESOLUTION NO. 2019-15

A RESOLUTION OF THE ALBANY CITY COUNCIL APPROVING
THE UPDATED BENEFITS BOOKLET
FOR MANAGEMENT/CONFIDENTIAL EMPLOYEES

WHEREAS, the Management/Confidential Employees Benefits Booklet details the benefits for all management and confidential employees of the City of Albany; and

WHEREAS, the Benefits Booklet is updated periodically to reflect any changes to the benefits offered to this group of employees, as well as any legal or regulatory changes; and

WHEREAS, staff has identified several components of the Benefits Booklet that need to be updated to comply with legal or regulatory requirements, CalPERS, clearly state exiting benefits that have been previously approved by City Council, and/or to reflect current City practice; and

WHEREAS, the updated Benefits Booklet incorporates changes to the structure of how the Alternate Benefit In-Lieu of Health Plan Coverage is administered; and

WHEREAS, the updated Benefits Booklet includes modification to the incentive pay provision by expanding the eligibility for an incentive offered to the Police Chief and Fire Chief and developing an incentive plan for other employees within the unrepresented Management/Confidential group.

NOW, THEREFORE, BE IT RESOLVED, that the Albany City Council hereby approves the updated Management/Confidential Employees Benefits Booklet contained in Exhibit A and by reference made part of this Resolution.

ROCHELLE NASON, MAYOR
RESOLUTION NO. 2019-15

PASSED AND APPROVED BY THE COUNCIL OF THE CITY OF ALBANY,

The 22nd day of January, 2019, by the following votes:

AYES: Council Members Maass, McQuaid, Pilch and Mayor Nason

NOES: None

ABSENT: Council Member Barnes

ABSTAINED: none

RECUSED: none

WITNESS MY HAND AND THE SEAL OF THE CITY OF ALBANY, this


Eileen Harrington
DEPUTY CITY CLERK

The City of Albany is dedicated to maintaining its small town ambiance, responding to the needs of a diverse community, and providing a safe, healthy and sustainable community.
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CITY OF ALBANY
MANAGEMENT AND CONFIDENTIAL EMPLOYEES
BENEFITS BOOKLET

POSITIONS COVERED
This booklet includes summary benefits for all management and confidential employees of the City of Albany (“City”). Management and confidential employees include the City Manager, Assistant City Manager, Fire and Police Chiefs, Department Heads, Department Managers and Supervisors, Human Resources Technician and all other management and confidential positions as designated by the City Manager/Executive Director or his/her designee.

MEDICAL INSURANCE

Minimum Employer Contribution
The City shall provide medical insurance through the Public Employee’s Medical and Hospital Care Act (PEMHCA). Under PEMHCA, the City is required pay a Minimum Employer Contribution (MEC) for all eligible active employees enrolled in the plan. The MEC is determined by CalPERS and is typically updated each calendar year. For the 2019 plan year, the MEC is $136.00/month, per eligible enrolled employee.

Flexible Benefits Plan
In addition to the MEC, the City shall contribute up to the below-listed amount per month toward the cost of a Medical plan through PEMHCA:

<table>
<thead>
<tr>
<th></th>
<th>Kaiser Bay Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee only</td>
<td>single rate</td>
</tr>
<tr>
<td>Employee plus one</td>
<td>two-party rate</td>
</tr>
<tr>
<td>Employee plus two or more</td>
<td>family (2+) rate</td>
</tr>
</tbody>
</table>

The City’s contribution includes the MEC listed above and will cover up to the entire premium for the Kaiser Bay Area plan or can be applied toward another health plan offered through PEMHCA.

Regular part-time employees shall receive a pro-rated health premium contribution depending upon their designated hours of work, with the remaining premium to be deducted from the second payroll check of the month for the following month’s coverage.

ALTERNATE BENEFIT IN LIEU OF MEDICAL INSURANCE
An employee eligible for Medical who opts to waive participation because the employee has health plan coverage as a result of being an eligible dependent can waive his/her participation in the City’s medical plan and elect the City’s alternate benefit. To participate in this program, the employee shall sign a waiver, provided by the City, of health plan coverage and shall provide proof of health plan coverage for him/herself which shall be confirmed annually before January 1 of each year. Proof of other coverage must show that the employee and all individuals in the employee’s expected tax return have (or will have) minimum essential coverage.

Employees who elect the alternate benefit shall receive elective paid leave as follows:

- Each month, the employee will be credited with the number of hours of elective paid leave equivalent to the single rate for the Kaiser Bay Area PEMHCA plan rounded to the nearest dollar;
For example: If the Kaiser Bay Area PEMHCA single party rate is $750 and the employee’s hourly rate is $25/hour, the employee will be credited with 30 hours per month of elective paid leave.

- Elective paid leave may be used as normal discretionary leave – however, all other discretionary leave (i.e., vacation and compensatory time off) must be used first;
- All accrued but unused elective paid leave will be paid out in the calendar year in which it is earned:
  - Each quarter, the City will cash out all accrued but unused elective paid leave at the rate at which it was earned (in the example above, payout would be at $25/hour).
  - Any accrued but unused elective paid leave remaining at the end of the calendar year will be paid out at the rate it was earned in the last pay period of the calendar year.

**DENTAL PLAN**

The City shall contribute 100% of the dental insurance premium for eligible full-time employees and his/her eligible dependents. Regular part-time employees – employees working a minimum of 1,000 hours per fiscal year but working less than full-time – shall receive a pro-rated dental premium contribution depending on their designated hours of work, with the remaining premium to be deducted from the second payroll check of the month for the following month’s coverage.

**SUPPLEMENTAL ORTHODONTIA REIMBURSEMENT PLAN**

The City will reserve up to $7,716.00 each fiscal year to provide reimbursement for employees’ receipted costs for family orthodontia expenses over the dental payment limit of $1,500.00. Eligible employees can be reimbursed up to $500.00 per individual per lifetime for orthodontia upon proof of expense and limit reached on primary and second insurance. Reimbursement will be at the same percentage rate as the dental coverage (currently 60%). The orthodontia reserve account will be on a first come first serve basis. If funds are unavailable in one fiscal year, expenses may be submitted in the next fiscal year.

**CALPERS RETIREMENT**

Miscellaneous (Non-Safety) Employees

- Employees hired before July 26, 2011
  a. 2.5% @ 55 Benefit formula
  b. Highest three-year average compensation
  c. Employees pay 100% of the member contribution (currently 8%)

- Employees hired on or after July 26, 2011 who meet the CalPERS requirements to be considered Classic Members
  a. 2% @ 60 Benefit formula
  b. Highest three-year average compensation
  c. Employees pay 100% of the employee portion (currently 7%)

- Employees hired on or after January 1, 2013 who are considered PEPRA New CalPERS Members
  a. 2% @ 62 Benefit formula
  b. Highest three-year average compensation
  c. Employees pay 50% of the Normal Cost, as determined by CalPERS
Safety Police Employees

- Classic CalPERS Members (as defined by CalPERS)
  a. 3% @ 55 Benefit formula
  b. Single highest year compensation
  c. The City pays 9% of the member contribution (EPMC)
  d. Employees pay 11% of the City’s contribution

- PEPRA New CalPERS Members (as defined by CalPERS)
  a. 2.7% @ 57
  b. Highest three-year average compensation
  c. Employees pay 50% of the Normal Cost, as determined by CalPERS

Safety Fire Employees

- Employees hired before May 14, 2012
  a. 3% @ 55 Benefit formula
  b. Single highest year compensation
  c. The City pays 9% of the member contribution (EPMC)
  d. Employees pay 13.5% of the City’s contribution

- Employees hired on or after May 14, 2012 who meet the CalPERS requirements to be considered Classic Members
  a. 3% @ 55 Benefit formula
  b. Highest three-year average compensation
  c. The City pays 9% of the member contribution (EPMC)
  d. Employees pay 13.5% of the City’s contribution

- PEPRA New CalPERS Members (as defined by CalPERS)
  a. 2.7% @ 57
  b. Highest three-year average compensation
  c. Employees pay 50% of the Normal Cost, as determined by CalPERS

**DEFERRED COMPENSATION 457 RETIREMENT SAVINGS PROGRAM (OPTIONAL)**

The City offers a deferred compensation program that meets the requirements of the Internal Revenue Service (IRS) Code Section 457. This program is administered by ICMA Retirement Corporation, which offers a variety of investment vehicles for deferred funds, as well as retirement planning assistance. All regular employees are eligible to defer up to the IRS annual deferral limit each year through this program. (Employees age 50 or older may have a higher deferral limit.) Deferred funds are not taxable until withdrawn from the deferred compensation program.

Effective July 1, 2016, employees hired or promoted to a Management/Confidential position on or before December 31, 2016 receive a City contribution to their deferred compensation account equal to 4% of their salary

**SOCIAL SECURITY**

The City participates in Social Security for all non-safety employees. The employee cost is currently 6.25% of earnings.
HOLIDAYS
All employees will be entitled eight (8) hours of holiday pay in observance of the following 14 holidays each calendar year:

<table>
<thead>
<tr>
<th>Day/Date</th>
<th>Holiday Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1</td>
<td>New Year’s Day</td>
</tr>
<tr>
<td>Third Monday in January</td>
<td>Martin Luther King Jr.’s Birthday</td>
</tr>
<tr>
<td>Third Monday in February</td>
<td>Presidents’ Day</td>
</tr>
<tr>
<td>Last Monday in May</td>
<td>Memorial Day</td>
</tr>
<tr>
<td>July 4</td>
<td>Independence Day</td>
</tr>
<tr>
<td>First Monday in September</td>
<td>Labor Day</td>
</tr>
<tr>
<td>November 11</td>
<td>Veterans’ Day</td>
</tr>
<tr>
<td>Fourth Thursday in November</td>
<td>Thanksgiving</td>
</tr>
<tr>
<td>day after Thanksgiving Day</td>
<td>Thanksgiving part two</td>
</tr>
<tr>
<td>December 24 (1/2 day)</td>
<td>Christmas Eve</td>
</tr>
<tr>
<td>December 25</td>
<td>Christmas</td>
</tr>
<tr>
<td>December 31 (1/2 day)</td>
<td>New Year’s Eve</td>
</tr>
</tbody>
</table>

Three (3) floating holidays to be taken at the mutual convenience of the City and the employee.

Should the State and Federal governments change the date of which any of the above holidays are to be celebrated, the City schedule would be modified accordingly. However, if only one of these entities makes a change, no modification in the schedule will result.

Should any holiday fall on a Sunday, the Monday following will be observed as the holiday. Should any holiday fall on a Saturday, the Friday preceding will be observed as the holiday. In the case of an employee having days off other than Saturday and Sunday, said employee will be afforded one additional day off for each holiday that falls on his/her regular day off. Time for taking such holiday will be scheduled at the discretion of the City Manager/Executive Director or designee.

Floating holidays must be taken during the calendar year in which earned or will be forfeited.

Regular part-time employees will receive a pro-rated basis depending upon their designated hours of work.

VACATION LEAVE
The purpose of annual vacation is to enable each eligible employee to return to his/her work physically and mentally refreshed. The time at which an employee shall take his/her vacation during a calendar year shall be determined with due regard to the wishes of the employee, the date of application for a specific vacation period, the seniority of employees, both in the department and in the City, and with particular regard for the needs of the department. Regular part-time employees shall accrue vacation in the amount proportionate to the ratio of scheduled hours of work per week to the standard workweek.

The vacation accrual rate for regular, full-time employee shall be:

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Accrual Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 through 3</td>
<td>Accrue 3.38 hours per pay period. (11 days)</td>
</tr>
<tr>
<td>4 through 8</td>
<td>Accrue 4.92 hours per pay period. (16 days)</td>
</tr>
<tr>
<td>9 through 13</td>
<td>Accrue 5.54 hours per pay period. (18 days)</td>
</tr>
<tr>
<td>14 through 18</td>
<td>Accrue 6.15 hours per pay period. (20 days)</td>
</tr>
<tr>
<td>19 and thereafter</td>
<td>Accrue 6.77 hours per pay period. (22 days)</td>
</tr>
</tbody>
</table>
Cash Option
If a management employee received a satisfactory performance evaluation during the last rating period, in lieu of taking paid time off, the employee may submit a Vacation Leave Cash Option form to payroll that has been approved and signed by his/her immediate supervisor to cash out up to an additional 80 hours of vacation leave, so long as after cashing out the employee has a minimum of 80 hours remaining in his or her accrual bank. Employees may choose to cash out up to two times per calendar year.

Vacation/Miscellaneous Requirements
The City Manager/Executive Director or designee is allowed to change vacation leave to sick leave in the event an employee, while on vacation, becomes ill to the point the City Manager/Executive Director or designee is convinced such employee would not normally be capable of performing his/her work duties were he/she at work.

When the total vacation ends with a fraction of a working day, the vacation shall be computed to the nearest one-half hour.

The vacation privileges granted by this section shall be confined to regular salaried employees who have worked for the City during the year for normal hours of work for employees. In computing time, no deductions shall be made for holidays, paid vacation, normal sick leave, and industrial disability leave. In computing vacation leave, no accumulation shall be made for leaves of absence without pay.

If an employee is unable to take his/her scheduled annual vacation because of circumstances within the department or for personal reasons, such annual vacation may be allowed at a later date when convenient to the department. This will allow consideration by the City of a request from an employee to carry over vacation solely for the convenience of the employee to facilitate a longer vacation period in a subsequent year, providing the City Manager/Executive Director or designee agrees for such a vacation carry over.

The maximum allowable vacation accrual will be 300 hours as of the end of the pay period that includes December 31st each year. Employees may accrue more than 300 hours during the calendar year provided that the employee’s accrual is not more than 300 hours by the end of the pay period that includes December 31st each year. Should an employee have an accrual in excess of 300 hours at that time, such employee will not accrue any further vacation until his/her accrual is at or below 300 hours.

An employee nearing or over the vacation accrual cap may request of the City Manager/Executive Director or designee accrual beyond the cap. Each case will be considered individually, and the City Manager/Executive Director or designee may authorize accrual beyond the cap.

ADMINISTRATIVE LEAVE
FLSA-Exempt employees shall receive Administrative Leave at the beginning of each calendar year, based on the following vesting schedule:

- Employees with less than 10 years of public agency employment experience – 80 hours
- Employees with 10 - 14 years of public agency employment experience – 90 hours
- Employees with 15+ years of public agency employment experience – 100 hours

“Public agency employment experience” in this section is defined as with any public agency.

In effect, the City has a “use it or lost it” approach to Administrative Leave. The leave must be used during the calendar year in which it was earned or will be forfeited.
A newly hired or newly promoted management employee will receive a proportional amount of Administrative Leave. Said amount is determined by taking the number of full pay periods remaining in the calendar year divided by the number of total pay periods for that calendar year and multiplying that ratio to the total number of Administrative Leave hours available. The result is rounded to the nearest hour and credited to the employee’s leave bank.

“Calendar year” means January 1 through December 31 with modifications as related to the beginning of the first pay period of the year. For example, December 23, 2013 was the beginning of the “calendar year” for payroll year 2014.

Administrative Leave is not a vested benefit. Except as expressly described under Cash Option, below, there is no payout of Administrative Leave.

Use of Administrative Leave
The use of Administrative Leave requires the prior approval of the employee’s immediate supervisor. Administrative Leave may be used during any pay period of the calendar year.

Cash Option
A maximum of 40 hours Administrative Leave may be taken as additional salary in lieu of paid time off. An employee who wishes to exercise the Cash Option must have been employed by the City in a management position a minimum of three months and must submit an Administrative Leave Cash Option form to payroll that has been approved and signed by his/her immediate supervisor.

Additionally, if a management employee had a satisfactory performance evaluation during the last rating period, in lieu of taking paid time off, the employee may submit an Administrative Leave Cash Option form to payroll that has been approved and signed by his/her immediate supervisor to cash out an additional:

<table>
<thead>
<tr>
<th>Years of Service Between</th>
<th>Administrative Leave</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 4 years of service</td>
<td>no additional pay out</td>
</tr>
<tr>
<td>5 to 9 years of service</td>
<td>may cash out an additional 20 hours</td>
</tr>
<tr>
<td>10 or more years of service</td>
<td>may cash out an additional 40 hours</td>
</tr>
</tbody>
</table>

“Years of service” in this section is defined as with the City of Albany. A management employee moves his/her eligibility to the next tier, for example, following his/her four or nine-year anniversary and entering into his/her fifth or tenth year of City of Albany.

Payroll will process the cash option request with the next available payroll cycle. Only two Cash Option requests per calendar year will be honored.

**SICK LEAVE**
Regular employees who work more than 1,000 hours per fiscal year shall be entitled to accrue sick leave in the amount of 8 hours for each calendar month of employment with the City, accumulative to 1,440 hours.

When the leave provided for in this section extends to more than 3 working days, the employee shall furnish his/her supervisor or the City Manager/Executive Director or designee with satisfactory medical evidence that the leave was necessary. The supervisor or the City Manager/Executive Director or designee shall have the right to investigate and determine the extent of an employee’s illness who is claiming benefits under this section.

In computing sick leave, no accumulation shall be made for leaves of absence without pay. Regular part-time employees shall be eligible to accrue sick leave in the same proportion as their scheduled and worked hours per
week relate to the standard workweek.

Use of Sick Leave
An employee may, at the discretion of his/her supervisor or City Manager/Executive Director or designee, use Sick Leave for illness, injury, medical appointments, or childbirth in his/her immediate household. Immediate household is defined as an employee’s parent, spouse, registered domestic partner, child (including adopted, foster or step child), parent-in-law, sister, brother, sister-in-law, brother-in-law, grandparents, or anyone who has acted in the capacity of an immediate family member. Such usage of Sick Leave shall be within the amounts allowed to be accumulated under this Section. This is not considered additional days off.

Use of Vacation
Vacation leave may be used toward an employee’s absence from work due to sickness, accident, or disability if the employee does not have available accrued sick leave.

Sick Leave Buyback
Upon retirement from regular City service, as defined by CalPERS, an employee shall be entitled to compensation for one-quarter of the accumulated Sick Leave on the books at the time of such retirement, and at his/her regular salary on said retirement date. The remaining hours will be reported to PERS for additional service credit. This calculation is as follows: remaining sick leave hours divided by 8 equals number of days reported.

BEREAVEMENT LEAVE
The City Manager/Executive Director or designee may grant leave of absence, with pay, to employees as follows:

(1) In the event of the death of a member of the immediate family, a leave not to exceed 7 calendar days, for employees. Immediate family means spouse, registered domestic partner, child (including adopted, foster or step child), parent, parent-in-law, sister, brother, sister-in-law, brother-in-law, grandparents, or anyone who has acted in the capacity of an immediate family member.

(2) In special cases, bereavement leave may be granted to attend funeral and memorial services of persons not included with the immediate family.

JURY DUTY
An employee called for service as a juror, or as a witness under a subpoena in a criminal case, is hereby granted a leave for that period required by the court. During such period, the employee shall be entitled to normal pay; however, he/she shall remit to the City the jury or witness fee (excluding mileage allowance) received for jury or witness duty served while on such full pay status with the City.

MILITARY LEAVE
Military leave will be granted in accordance with minimum requirements of the statutes of the State of California and applicable federal laws.

DISABILITY BENEFITS
Disability Leave Benefits
Employees are covered by Workers’ Compensation benefits pursuant to the statutes of the State of California. Over and above the Workers’ Compensation statutory benefits, the City will pay benefits on the first day of work
loss due to an on-the-job injury and will provide Workers’ Compensation benefits for the first year up to two-thirds of the monthly salary per month for on-the-job injuries. After the first year (defined as calendar year), benefits will be paid pursuant to the statutes of the State of California.

Long-Term Disability Plan
The City provides a long-term disability plan for management and confidential employees. This plan provides for two-thirds of the monthly salary, to a maximum of $7,500.00 per month after a 90-day waiting period, for disabilities occurring on and off the job. The long-term disability benefit will be integrated at the employees’ option with sick Leave and Vacation leave, if any.

State Disability Insurance
Management and confidential employees do not participate in the State of California’s State Disability Insurance (SDI) program.

Life Insurance
The City shall provide, at its expense, a term life insurance and term accidental death and dismemberment insurance policy for each employee at the coverage amount of one time the employee’s annual salary up to a maximum coverage amount of $50,000.

EDUCATIONAL REIMBURSEMENT
The City will provide reimbursement for employees’ receipted costs for tuition, fees and books incurred by attending educational programs/classes that are directly related to the present or known future needs of the City. Reimbursement will be limited to a maximum of $2,000.00 per employee per fiscal year, subject to approval by the City Manager/Executive Director. In order to be reimbursed for such costs, the employee should submit a reimbursement request form, prior to beginning the program/class, to the employee’s Department Head for approval (along with the City Manager/Executive Director’s approval). The employee must then present a passing grade of “C” or better (or a “pass” in a pass/fail program, or a certificate of completion), along with receipts for costs, in order to be reimbursed.

PROFESSIONAL ASSOCIATION DUES
The City pays for membership dues in applicable professional associations, subject to approval of the City Manager/Executive Director. Employees who successfully complete the Alameda County Leadership Academy are eligible for an annual lump-sum payment of $300.00. The payment shall be issued the first pay period in December each calendar year.

VEHICLE ALLOWANCE
The City will provide a vehicle allowance of $200 per month to Department Heads who have not been assigned a City vehicle. The vehicle allowance will be paid in lieu of the existing mileage reimbursement provision, for travel within the nine Bay Area counties (Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma).

UNIFORM ALLOWANCE
Fire and Police Chiefs of the City of Albany will be provided the same uniform allowance that is provided to employees represented under the Memorandum of Understanding between the City of Albany and the Albany Fire Fighters’ Association/Albany Peace Officers’ Association.
INCENTIVE PAY
Employees are eligible for incentive pay as follows:

<table>
<thead>
<tr>
<th>Group or Class of Employees</th>
<th>Amount</th>
<th>Type of Incentive/Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Manager and Department Heads</td>
<td>2.5%</td>
<td>Management Incentive Pay</td>
</tr>
<tr>
<td>Police Chief and Fire Chief</td>
<td>2.5%</td>
<td>Possession of a Master’s Degree, successful completion of the Command College Program, or possession and maintenance of a State of California Paramedic License</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employees are eligible for only one incentive</td>
</tr>
<tr>
<td>All other Management/Confidential</td>
<td>2%</td>
<td>Educational Incentive pay for possession of a Master’s Degree</td>
</tr>
<tr>
<td>Employees</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

LONGEVITY PAY
City Manager, Department Heads, and all other non-sworn employees: upon 10 years of service with the City of Albany, a sixth step will be added to the employee’s salary range increasing pay by 5%.

The Fire Chief and the Police Chief receive longevity pay during the 25th-33rd years of service with the City of Albany, in an amount equal to 10% of Step 7 Fire Engineer.

RETIREE MEDICAL
Upon retirement from the City of Albany, the City shall contribute the required MEC toward the cost of retiree medical insurance for those retirees who choose to continue coverage through the City’s contract with PEMHCA. This provision is not a vested benefit, rather a requirement under PEMHCA. Should the City terminate its contract with PEMHCA, this provision shall terminate.

SEPARABILITY AND SAVINGS
If any provision of this Benefits Booklet is held invalid by a court of competent jurisdiction, such provision shall be inoperative, but all other provisions shall not be affected thereby and shall continue in full force and effect.

TERM AND EFFECT
This Benefits Booklet shall be effective January 1, 2019, except for those provisions which have been assigned other effective dates (if applicable). All other terms and conditions specified in this Benefits Booklet shall remain in effect until replaced by a successor Benefits Booklet.

City of Albany

By ______________________________
Nicole Almaguer, City Manager

By ______________________________
Melissa Rojas, Human Resources Director

Ratified by the City Council

Dated: ______________________________

By ______________________________
City Clerk