Council Meeting of
June 26, 2007

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: City Manager – Resolution for Executive and Management Employees

RECOMMENDATION

The City Manager recommends that the City Council adopt the Resolution for Executive and Management Employees increasing the reference point by CPI pursuant to provisions of the Merit Plan, to add the position of Workers' Compensation Administrator, to remove the Retirement Health Savings Plan, to modify Section 2.2(B)1, and to implement new health insurance coverage approved for all employees by Council effective January 1, 2008.

Funding

No funding required.

BACKGROUND/ANALYSIS

The Executive and Management Merit Pay Plan provides for establishing a reference point for each Executive and Management position based on salary surveys every four years of comparable positions within other agencies, adjusted for internal compression as necessary for safety executive positions. In intervening years, the reference point is adjusted by CPI. For certain positions for which comparable external position data is limited or not available, those positions are benchmarked to comparable internal positions.

For the upcoming fiscal year 2007-08, the reference point adjustment is based on May to May CPI – Urban Wage Earners and Clerical Workers for the Los Angeles-Riverside-Orange County, California Area, which is 3.0%. This adjustment is to the reference point only and does not change the actual compensation received by the incumbent. Incumbent compensation is adjusted pursuant to the guidelines of the Management Merit Pay Plan (MMPP).

The Resolution adds the position of Workers' Compensation Administrator to the Executive and Management Employees group. Due to recently enacted IRS regulations, the Resolution also removes the Retirement Health Savings Plan benefit.

The Resolution modifies Section 2.2(B)1 to read as follows:

> *"At the discretion of the City Attorney, one Assistant or Deputy City Attorney will receive a 5% premium for supervising and training duties."*

Lastly, the Resolution implements new health insurance benefit coverage as approved for all employees effective January 1, 2008.

Respectfully submitted,

LeROY J. JACKSON
CITY MANAGER

By _____
Aram Chaparyan
Assistant to the City Manager

CONCUR:

_____
LeRoy J. Jackson
City Manager

Attachment: Fiscal year 2007-08 Executive and Management Employees Resolution

RESOLUTION NO. 2007-___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TORRANCE SETTING FORTH CHANGES REGARDING EMPLOYMENT COMPENSATION FOR EXECUTIVE AND MANAGEMENT EMPLOYEES EFFECTIVE JULY 1, 2007, AND REPEALING RESOLUTION NO. 2006-54.

The City Council of the City of Torrance does hereby resolve as follows:

SECTION I

That Resolution No. 2006-54 is repealed in its entirety.

SECTION II

The following compensation procedure for Executive and Management Employees is hereby approved in its entirety to read as follows:

EXECUTIVE AND MANAGEMENT EMPLOYEES

2007

ARTICLE 1 - COMPENSATION PROVISIONS

SECTION 1.1 MERIT PAY PHILOSOPHY

A. The merit pay philosophy for the City of Torrance Executives and Managers is to:

1. Attract, retain and motivate qualified employees to foster the attainment of initiatives in support of the City's mission and the directives of the City Manager and City Council.
2. Establish compensation policies to reward productivity and encourage effective resource utilization.
3. Structure a compensation plan that is internally equitable and reflects the salary practices of similar public agencies.
4. Plan, implement and control all compensation expenditures through appropriate budgetary control established at the Department and the City Manager level.
5. Provide for annual employee performance appraisals to assess management effectiveness in meeting established goals and objectives and to set future goals and objectives.

SECTION 1.2 SALARY METHODOLOGY

A. The City's Merit Pay Matrix is established under the following principles and practices:

1. A pay range with both an entry point and a reference point shall be established by surveying comparable agencies no later than March 31 every other two year operating budget cycle. The reference point shall be the median of the survey results.
2. A salary range shall then be established by subtracting 20% from the reference point for the entry of the range; however, at the inception of the plan actual salary that is below the calculated entry point shall be the entry point for the incumbent.

3. The reference point shall be adjusted annually to the nearest tenth of a percent by May to May Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers for Los Angeles, Riverside, Orange County, California.
4. There shall be a potential for an extended pay adjustment up to 15% beyond the reference point for a performance rating of Meets or Exceeds Expectations.
5. Effective first pay period of Pay Resolution adoption, the reference point for each Executive and Manager classification is listed in Article 2, Section 2.1.

B. The Merit Pay Matrix shall be as follows:

Note: EGI refers to Employee General Increase

Employee's Overall	Merit Pay Range Rating
Fails to Meet Expectations	0%
Partially Meets Expectations	0% - EGI less .5%
Meets Expectations	EGI plus up to 3%
Exceeds Expectations	EGI plus up to X% less than or equal to 10%

Such Employee General Increase shall be determined annually by the City Council.

C. Annual Merit increase funding

1. Such Employee General Increase (EGI) shall be determined annually by the City Council with EGI for safety executive staff linked to safety MOUs, not to exceed 5%, and EGI for general executive and management shall be linked to general employee MOUs, plus 2%.
2. This shall be with the exception of the City Clerk and the City Treasurer Departments. The City Clerk and the City Treasurer shall award annual merit increases within the principles and guidelines of the Merit Pay Policies and advise the City Manager of such award.
3. The funding for department managers, exclusive of the City Clerk and City Treasurer departments as noted above, shall be allocated on a pro-rata basis among departments based upon the departments' 1% Manager Cost Factor from the Proposed Budget Labor Compensation Report, adjusted for vacancies.
4. This funding amount shall be referred to as the Department Pool.
5. Funding of executive staff annual merit increases, exclusive of the City Manager and the City Attorney, shall be based upon the City Manager's 1% Executive Staff Cost Factor from the April Labor Compensation Report, adjusted for vacancies. This funding amount shall be referred to as the Annual Fiduciary Department Pool.
6. The City Manager shall award annual merit increases to his/her executive staff from the Annual Fiduciary Department Pool. The City Manager shall award annual merit increases to his/her managers from the City Manager Department Pool.
7. Executive staff reporting to the City Manager shall recommend annual merit increases for his/her managers to the City Manager from their respective Department Pool.
8. The City Attorney shall award annual merit increases for his/her managers from the City Attorney Department Pool.

D. Interim Merit Increases

1. These shall be funded, based upon availability of funding as determined by the City Manager, through the moving wage base in an amount not to exceed .5%. City Council, at their discretion, may approve amounts above the base on a year-to-year basis.
2. Such amount may be distributed by the City Manager to executive staff and managers within departments reporting to the City Manager, and by the City Manager, City Attorney, City Clerk and City Treasurer to their respective managers, based on both performance and placement within the pay range.

3. This funding amount shall be referred to as the **Interim Fiduciary Pool**.
   a. The .5% value for the City Manager Interim Fiduciary Pool shall be equal to .5% of the Proposed Budget Labor Compensation Report, adjusted for vacancies, for executive staff and manager positions within departments reporting to the City Manager and for managers reporting directly to the City Manager.
   b. The .5% value for the City Attorney Interim Fiduciary Pool shall be equal to .5% of the Proposed Budget Labor Compensation Report, adjusted vacancies, for manager positions reporting to the City Attorney.
   c. The City Clerk and the City Treasurer may award interim merit increases within the limitation of the Merit Pay Plan. The City Manager shall be advised of interim merit increases.

E. An employee subject to this resolution, may, with the approval of the City Manager or if appropriate, the City Attorney, enter into a written agreement with the City for a long-term modified work schedule (such as half-time), with a commensurate reduction in salary and benefits."

SECTION 1.3 MERIT INCREASES AND PROGRESSION WITHIN THE PAY RANGE

A. Annual pay increases

1. Employees are eligible for annual pay increases effective with the first pay period in July. Pay increases are not automatically granted. Employees may be determined to be ineligible to receive a pay increase based upon their overall performance rating.

2. For managers within departments reporting to the City Manager, each department head shall certify a manager's overall rating and recommend an annual merit increase per the Merit Pay Matrix funded through his/her Department Pool.

3. The recommended annual merit increase and supporting performance appraisal shall be submitted to the City Manager between May 15 and May 31. The performance appraisal shall be reviewed with the manager prior to submitting to the City Manager. The recommended annual merit increase shall not be shared with the manager until approval is received from the City Manager.

4. If a manager receives a rating of "Not Meeting Expectations" or "Partially Meeting Expectations", the department head shall also submit a written action plan for steps to be taken to improve performance.

5. For managers reporting to the City Attorney, the City Attorney shall complete a performance evaluation no later than June 15th, and award an annual merit increase from the City Attorney Department Pool per the Merit Pay Matrix.

6. For managers reporting to the City Clerk and the City Treasurer, each elected official shall complete a performance evaluation of their respective deputies by June 15th, and award an annual merit increase per the Merit Pay Matrix. The performance evaluation shall be forwarded to the City Manager with an advisement of annual merit increase awarded. The performance evaluation shall be reviewed with the deputy prior to forwarding to the City Manager. In the event that the deputies do not receive such evaluation by June 30th, the review shall be determined as "Meets Expectations", and the Employee General Increase be awarded.

7. For executive staff and managers reporting to the City Manager, the City Manager shall prepare a written performance appraisal for review with the executive staff/managers no later

than May 31. Such review and resultant overall rating shall provide for an annual merit adjustment per the Merit Pay Matrix. If a member of executive staff or a manager receives a rating of "Not Meeting Expectations" or "Partially Meeting Expectations", the City Manager shall prepare a written action plan for steps to be taken to improve performance.

8. Employees may be eligible for a special interim merit adjustment as set forth in Section II. This will generally be reserved for employees substantially improving performance, or for those within the lower third of the pay range that are meeting or exceeding departmental objectives. However, in no circumstance shall an employee receive total merit increases exceeding 10% in any one year without prior authority from City Council.

SECTION 1.4 NEW HIRES/PROMOTIONS

A. The normal hiring point shall be the entry point of the position range. However, other factors such as market necessity and/or education and experience of the applicant may require hiring the applicant at a higher rate.

B. A department head may recommend to the City Manager, with the review of the Human Resources Director (or the City Attorney recommend to the City Council) that the applicant be hired above the entry range.

C. The City Clerk and City Treasurer may hire their respective deputies above the entry point at their discretion.

D. In no circumstances shall the applicant be hired above the reference point without prior authorization of the City Council.

E. The City Attorney shall make the appointment and establish the pay point for Legal Counselor.

F. The City Manager and City Attorney may, during the first year of employment or promotion in a position covered by this resolution, recognize meritous work with a special wage adjustment(s) up to a maximum of 10% outside of the merit pool.

SECTION 1.5 GOAL AND OBJECTIVE SETTING PROCESS

A. The goal and objective setting process is a key factor of the Merit Pay Plan. Goals and objectives must reflect the direction of the City, be understood by the employee, reasonably attainable and measurable. To facilitate the mutual setting of goals, the employee and the rater shall use the following approach:

1. Executive staff, exclusive of the City Attorney, shall review with the City Manager in broad terms the goals and objectives that are being proposed for his/her managers prior to meeting with the manager. This review shall be in conjunction with the setting of department goals and objects and development of the budget work plan.

2. The employee should be given a minimum of two weeks notice of the pending performance review.

3. During this time period, both the employee and the rater shall independently set future goals and objectives that fit the department's and the City's business strategies, and assess accomplishments set at the prior performance review.

4. During the performance review goals and objectives are arrived at for the new fiscal year, and a review of prior year accomplishments completed.

5. Executive staff, exclusive of the City Attorney, shall forward the manager performance reviews to the City Manager with the recommended pay adjustment for review with the City Manager during his/her performance review.

6. Assessment of achieving established goals and objectives is a year round process. Attainment of goals and objectives shall be discussed with the employee from time to time during the year to review mitigating circumstances to established goals, provide for reprioritization if needed, or to refocus direction of the employee due to changed circumstances.

SECTION 1.6 METHODS OF COMPENSATION

Compensation shall be determined on a monthly basis and shall be fixed according to the responsibilities to be fulfilled; and shall not be based on a fixed number of hours per week nor shall it be affected by variations in work schedules.

SECTION 1.7 REQUIREMENTS AS TO CONTINUITY OF SERVICE

Service requirements for advancement within merit pay matrix, holidays and vacation, shall be based upon continuous and total service as a regular employee.

A. Leaves of absence without pay of 10 working days or less, and leaves with pay shall not interrupt continuous service nor be deducted from total service.

B. Leaves of absence without pay in excess of 10 working days, except for extended military leave, shall be deducted in computing total service but shall not serve to interrupt continuous service.

C. All unauthorized absences without leave shall be grounds for disciplinary action.

SECTION 1.8 HOURS OF WORK

A. Torrance City Hall will operate on a 9/80 closed schedule with the following hours of operation:

Monday through Thursday:	7:30 a.m. - 5:30 p.m.
Alternate Friday:	7:30 a.m. - 5:30 p.m.

B. Other City divisions not located in the City Hall complex may modify schedules for work groups to operate on either a 9/80 "open" or 9/80 "closed" schedule that does not conform to the above.

ARTICLE 2 - COMPENSATION

SECTION 2.1 REFERENCE POINT AND POSITIONS

The following reference points are assignment to the classifications of the following Executive and Management employees effective July 1, 2007.

Title	Reference Point	Benefit Category	Car Allowance Category
Executive Staff			
Fire Chief	16,781	A	1
Police Chief	16,781	A	1
Assistant City Manager	15,621	A	1
Finance Director	13,821	A	1
Public Works Director	13,821	A	1
General Services Director	13,626	A	1
Community Services Director	13,626	A	1
Transit Director	13,626	A	1
Community Development Director	13,626	A	1
Human Resources Director	12,735	A	1
Information Technology Director	12,735	A	1
Management Staff			
Assistant City Attorney	14,989	A	3
Deputy City Attorney III	13,627	A	3
Legal Counselor III	13,627	A	3
Deputy Community Development Director	11,372	B	2
Assistant Finance Director	11,372	B	2
Building Regulations Administrator	11,372	B	2
Deputy Public Works Director/Operations	11,372	B	2
Deputy Public Works Director/City Engineer	11,372	B	2
Deputy City Attorney II	11,169	A	3
Legal Counselor II	11,169	A	3
Information Technology Manager	10,412	B	2
Risk Manager	10,412	B	2
Assistant to the City Manager	10,259	A	3
Cable & Community Relations Manager	10,259	A	1
Law Office Administrator	10,259	A	3
Principal Planner	10,259	B	2
Transportation Planner	10,259	B	2
Communications Manager	10,259	B	2
Transit Operations Manager	10,259	B	2
Employment & Training Manager	10,259	B	2
Human Resources Manager	10,259	B	2
Accounting Manager	10,259	B	2
Park Services Manager	9,900	B	2
Sanitation Services Manager	9,900	B	2
Streetscape Manager	9,900	B	2
Project Manager - Public Works	9,900	B	2
Transit Administration Manager	9,900	B	2
City Librarian	9,900	B	2
Street Operations Manager	9,900	B	2
Audit Manager	9,900	B	2
Workers' Compensation Administrator	9,292	B	3
Facilities Operations Manager	9,146	B	2
Facilities Services Manager	9,146	B	2
Fleet Services Manager	9,146	B	2
Library Services Manager	9,146	B	2
Recreation Services Manager	9,146	B	2
Deputy City Attorney I	8,592	A	3
Legal Counselor I	8,592	A	3
Budget Manager	8,436	B	2

Title	Reference Point	Benefit Category	Car Allowance Category
Cultural Services Manager	8,436	B	2
Purchasing Agent	8,436	B	2
Civil Service Manager	8,436	B	2
Deputy City Treasurer	7,972	B	2
Principal Librarian	7,972	B	2
Management Associate	6,842	A	3
Deputy City Clerk	6,261	B	2

City Manager Compensation:
The City Manager shall be paid at a monthly compensation rate higher than any of his subordinates. The City Manager's monthly compensation rate shall be 5% higher than any subordinate's monthly compensation rate regardless of the City Manager's length of service.

City Manager Pay:
Effective November 12, 2006, the City Council set the pay point for the City Manager as $20,287 per month.

City Attorney Pay:
Effective October 15, 2006, the City Council set the pay point for the City Attorney as $19,594 per month.

SECTION 2.2 PREMIUM PAY

A. Certain Management Employees assigned to work entailing specified duties which require skills and abilities not contemplated in the employee's normal assignments in the areas described in this Section shall receive premium pay only while so assigned.

B. Assignments and reassignments shall be made by the department head subject to the approval of the City Manager except as noted for City Attorney's Office as set forth in A), according to workload and skills required, and subject to any special provisions specified in this Section for any particular assignment.

1. At the discretion of the City Attorney, one Assistant or Deputy City Attorney will receive a 5% premium for supervising and training duties. If a Deputy City Attorney receives the premium, he or she may use the working title of Chief Deputy City Attorney.

2. The employee in the classification of Assistant Finance Director who is assigned to labor negotiations shall receive a 3% premium while assigned.

3. At the discretion of the Public Works Director, a maximum 20% premium may be assigned to or allocated among engineering managers assigned City Engineer responsibilities.

4. Assignment:

   a. Assignment to such assignments shall be made by the department head pursuant to departmental rules and regulations.
   b. Such assignment shall be subject to budget limitations and levels of service needed.
   c. The department head may make reassignments he/she deems appropriate pursuant to departmental rules and regulations.

5. Premium Pay:
   Such pay shall be exclusive of special compensation and be considered part of regular compensation for purposes of retirement contributions. All new assignments made after August 29, 1976, shall be paid a premium only for time assigned to such duties.

ARTICLE 3 - WAGE SUPPLEMENTAL BENEFITS

Benefits Summary - Category A		
Health and Dental Insurance (See Section 3.1)	City will pay $100.00 per month for each employee and eligible annuitant toward medical insurance. Dental Insurance (Employee plus one) Vision Insurance (Employee only) The dental and vision insurance benefit have no cash value if not used.	City will allocate an additional $322 per month to the employee to be used for the payment of a PERS approved health insurance plan premium or dental insurance. (See Section 3.1 for modifications to health insurance benefits). Effective January 1, 2006, employee only dental insurance shall be provided; effective January 1, 2007, employee plus one dependent dental insurance shall be provided.
Life Insurance (See Section 3.1)	City shall cover each individual under a $100,000 accidental life insurance policy.	City shall cover each individual under a $200,000 term life insurance policy.
Disability Insurance (See Section 3.1)	Each employee shall be covered by a short-term and a long-term disability program in accordance with all provisions of the commercial insurance policy.	Short-term and long term disability coverage is 2/3 base pay after a 14-day waiting period, not to exceed the age of 65.
Retirement (See Section 3.2)	City shall pay the 7% employee's contribution to PERS and will provide the 2% @ 55 benefit formula effective November 24, 2000.	The 7% paid by the City for miscellaneous retirement shall be considered as employer-paid member contributions (EMPC).
Matching Deferred Compensation Plan (See Section 3.3)	City will match an employee contribution to the deferred income plan up to a maximum of 0.5% of base pay per calendar year.	
Sick Leave except City Manager (See Section 3.4) Sick Leave for City Manager (See Section 3.4.E)		
Industrial Injury Leave (See Section 3.5)	For injuries sustained to non-safety employees prior to August 3, 1997, the following applies: Up to 3 months during the first three years of employment. Up to 6 months during the 4th year of employment. Up to 12 months after four years of employment. Such leave shall be at 90% of regular salary rate.	For injuries sustained to non-safety employees on or after August 3, 1997, the following applies: Up to 3 months during the first three years of employment. Up to 6 months during the 4th year of employment. Up to 8 months after four years of employment. Such leave shall be at 85% of regular salary rate.
Administrative Leave (See Section 3.6)	Employees shall receive 8 days of administrative leave per fiscal year. This leave may not be cashed out and is non-accruable.	
Holidays (See Sections 3.8 and 3.9)		

Benefits Summary - Category A		
Vacation Leave (See Section 3.10)	Each employee shall earn vacation as follows: • At the rate of 9.33 hours per month of service. • Commencing with the 2nd year of service, at the rate of 10 hours per month of employment. • Commencing with the 5th year of service, at the rate of 12.67 hours per month of employment. • Commencing with the 10th year of service, at the rate of 16.02 hours per month of employment. • Commencing with the 21st year of service, at the rate of 17.34 hours per month of employment. • Commencing with the 25th year of service, at the rate of 18 hours per month of employment.	
Bereavement Leave (See Section 3.11)	Each employee shall be entitled to up to 3 work shifts with pay per death of a covered family member.	Additional leave up to 2 work shifts may be granted due to an out-of-state death or funeral, or in the state in excess of 300 miles from the borders of the City of Torrance.
Vehicle Allowance (See Section 3.12)	Employees designated by this resolution to receive a car allowance shall receive a monthly car allowance as specified by City Council. Eligible employees are indicated in Section 2.1.	Such allowance is not intended to cover mileage reimbursement for business trips of over 25 miles each way. Such excess miles (over the 50 miles round trip) shall be reimbursed at the City's specified rate.
Jury Duty (See Section 3.13)		
Reimbursable Expenses (See Section 3.14)	City shall reimburse costs up to $1,500 per fiscal year for each employee for eligible expenses as defined in Section 3.13.	

Benefits Summary - Category B		
Health and Dental Insurance (See Section 3.1)	City will pay $100.00 per month for each employee and eligible annuitant toward medical insurance. Dental Insurance (Employee plus one) Vision Insurance (Employee only) The dental and vision insurance benefit have no cash value if not used.	City will allocate an additional $322 per month to the employee to be used for the payment of a PERS approved health insurance plan premium or dental insurance. Effective January 1, 2006, employee only dental insurance shall be provided; effective January 1, 2007, employee plus one dependent dental insurance shall be provided.
Life Insurance (See Section 3.1)	City shall cover each individual under a $100,000 accidental life insurance policy	City shall cover each individual under a $100,000 term life insurance policy
Disability Insurance (See Section 3.1)	Each employee shall be covered by a short term and a long-term disability program in accordance with all provisions of the commercial insurance policy.	Short term and long term disability coverage is 2/3 base pay for a period determined by the insurance carrier, after a 14-day waiting period, up to the limits of the policy.

Benefits Summary - Category B		
Retirement (See Section 3.2)	City shall pay the 7% employee's contribution to PERS and will provide the 2% @ 55 benefit formula effective November 24, 2000.	The 7% paid by the City for miscellaneous retirement shall be considered as employer-paid member contributions (EMPC).
Matching Deferred Compensation Plan (See Section 3.3)	City will match an employee contribution to the deferred income plan up to a maximum of 0.5% of base pay per calendar year.	
Sick Leave (See Section 3.4)		
Industrial Injury Leave (See Section 3.5)	For injuries sustained prior to August 3, 1997, the following applies: Up to 3 months during the first 3 years of employment. Up to 6 months during the 4th year of employment. Up to 12 months after 4 years of employment. Such leave shall be at 90% of regular salary rate.	For injuries sustained to non-safety employees on or after August 3, 1997, the following applies: Up to 3 months during the first 3 years of employment. Up to 6 months during the 4th year of employment. Up to 8 months after 4 years of employment. Such leave shall be at 85% of regular salary rate.
Personal Leave (See Section 3.7)	Employees shall receive a total of 27 hours of personal leave at the beginning of each fiscal year. This leave may not be cashed out and ceases to accrue after the full 27 hours are earned.	
Holidays (See Section 3.8 and 3.9)		
Vacation Leave (See Section 3.10)	Each employee shall earn vacation as follows: At the rate of 9.33 hours per month of service. Commencing with the 2nd year of service, at the rate of 10 hours per month of employment. Commencing with the 5th year of service, at the rate of 12.67 hours per month of employment. Commencing with the 10th year of service, at the rate of 16.02 hours per month of employment. Commencing with the 21st year of service, at the rate of 17.34 hours per month of employment. Commencing with the 25th year of service, at the rate of 18 hours per month of employment.	
Bereavement Leave (See Section 3.11)	Each employee shall be entitled to up to 3 work shifts with pay per death of a covered family member as defined for family sick leave.	Additional leave up to 2 work shifts may be granted due to an out-of-state death or funeral, or in the state in excess of 300 miles from the borders of the City of Torrance.
Jury Duty (See Section 3.13)		

Benefits Summary - Category B		
Reimbursable Expenses (See Section 3.14)	City shall reimburse costs up to $750 per fiscal year for each employee for eligible expenses as defined in Section 4.11.	Any amount remaining from the previous fiscal year shall be carried forward to the following fiscal year, for a maximum of 2 years. Any expense remaining from the previous fiscal year shall be carried forward for a maximum of 3 years.
Move up Assignment (See Section 4.2)	An employee moved up to acting department head for one full work day, shall receive a 7½% premium above base salary, and any premium pay received as outlined in Section 3.3 for all such time.	If the temporary absence of the department head continues in excess of 30 consecutive calendar days, the employee shall then be paid at the salary rate of the lowest step for such assigned position which is higher than the current base salary of that employee.

SECTION 3.1 INSURANCE

A. General Insurance (effective through December 31, 2007)

1. The City pays $100.00 per month for each employee and eligible annuitants toward medical insurance. The $100.00 employer contribution can only apply toward the health insurance premium of one of the authorized PERS health insurance plans. If the employee does not participate in the PERS insurance plans the $100.00 cannot be used for any other purpose. The Fire Chief will be eligible for retiree medical benefits as an associate member of the Fire Association. The Police Chief, if qualified, is eligible for retiree medical benefits as set forth in the TPOA MOU, Section 6.3.C)2)a), with method of payment as set forth in Section 6.3.C)4).

2. The City shall allocate an additional $322 per month to the employee to be used for the payment of a PERS approved health insurance plan premium, dental insurance, or other insurance premiums. The employee does not need to participate in the PERS health insurance plan to be eligible to use the allocation for dental or other insurance. This allocation will also be used to deduct the payment of the administrative and contingency fees required by the PERS insurance plan.

   The employee will receive the unused balance of the City's insurance contribution as a special premium, paid once each month at the time of the insurance contribution. Such amount shall be reported as earned income for tax purposes, but shall not be deemed as earned income for PERS and Social Security purposes.

Medical Insurance (effective January 1, 2008)

1) The City shall pay $100.00 per month per employee for active and retired employee health insurance. The $100.00 employer contribution can only apply toward the health insurance plans. If the employee does not participate in the insurance plans, the $100.00 cannot be used for any other purpose. This amount may be increased from time to time by statute.

2) Active Employees: In addition to the PERS mandated amount (addressed in the matrix below) active employees shall be provided with an amount which may be used by the employee to pay for approved health insurance plan premiums, dental or vision insurance. The allocation of funds for these purposes are outlined in the matrix below:

Effective with the **January 1, 2008** health insurance premium for City provided health insurance:

Health Insurance effective January 1, 2008				
	NC (No Coverage)	1 Party	2 Party	Family
PERS Mandated Amount	$0	$100.00	$100.00	$100.00
City Cafeteria Contribution	$0	$273.98	$647.96	$877.34
Totals	$0	$373.98	$747.96	$972.34
Any amount remaining may be used to offset family dental or towards 2 party or family vision.				

Effective with the **January 1, 2009** health insurance premium for City provided health insurance:

Health Insurance effective January 1, 2009				
	NC (No Coverage)	1 Party	2 Party	Family
PERS Mandated Amount	$0	By Statute	By Statute	By Statute
City Cafeteria Contribution	$0	Total - PERS Mandated Amount	Total - PERS Mandated Amount	Total - PERS Mandated Amount
Totals	$0	$392.68	$785.36	$1,020.96
Any amount remaining may be used to offset family dental or towards 2 party or family vision.				

Members who opt out of the cash contribution option cannot select that option in the future. Employees hired after date of ratification of this Resolution will only have the option of single, two party, and family health insurance coverage.

Given the increases to the health insurance premiums provided for by this Resolution, it is the intent of the Resolution to eliminate the previously provided cash contribution (i.e., city cafeteria contribution) to those employees who do not take health insurance from the City. However, given that existing employees who have not taken City-paid health insurance have been provided a cash amount as part of their compensation, it is the intent of the Resolution to "grandfather" existing employees as of the date of approval of this Resolution by the City Council with their current cafeteria cash amount of $322. Employees hired after the effective date of this agreement will not eligible for the cash in-lieu of selecting a health insurance plan option.

B. The City shall cover each Category A employee under a $100,000 accidental and $200,000 term life insurance policy; and the City shall cover each Category B employee under a $100,000 accidental and $100,000 term life insurance policy.

C. Long Term Disability Insurance:

1. In accordance with the provisions of the commercial short term/long term disability plan, employees with pre-existing conditions who do not qualify for coverage under the commercial policy shall receive the following benefit:

   a. An employee requesting receipt of such benefits will be decreed on a leave of absence while receiving this long term disability insurance and shall receive no other benefits.
   b. The maximum of two years shall be for a single or multiple instances subject to the employee restoring such insurance one month for each two months of service.
   c. Payments will commence on the thirty-first day of lost time by insurance warrant issued as specified in the City plan.

d. Such insurance is subject to administrative rules and shall be at no cost to the employee nor shall it be charged against City contributions to employee insurance.

2. Employees who were active employees on or after August 1, 1997 and who qualify for the commercial insurance long-term/short-term disability program shall be covered as follows:

   a. Two-thirds (2/3) base pay for a period as determined by the insurance carrier, after a 14-day waiting period, up to the limits of the policy.
   b. Eligibility for all provisions of the commercial plan is in accordance with the commercial insurance policy.
   c. An employee requesting receipt of such benefits will be decreed on a leave of absence and shall receive no other benefits except 3.1.A.1 and 3.1.A.2.

D. Effective January 1, 2006, employee-only dental insurance shall be provided at no cost to the employees. Effective January 1, 2007, employee plus one dependent coverage will be provided at no cost. This benefit has no cash value if not used.

SECTION 3.2 RETIREMENT

A. Employees shall be covered by either the appropriate safety or miscellaneous retirement plan provided by the City. The City shall pay the employee's contribution to PERS for employees of the Certain Management Salary Resolution pursuant to the applicable sections of the California Government Code. Such payments shall be reported simply as normal contributions and shall be credited to member accounts. These contributions shall at time of termination belong to the employees. These contributions shall be reported to PERS as compensation as provided by SB 53.

B. Effective June 11, 1995, the 7% paid by the City for miscellaneous retirement shall be considered as employer-paid member contributions (EPMC) in accordance with Government Code Section 20023.

C. Effective May 26, 2000, the PERS contract shall provide one-year final compensation provisions when calculating retirement benefits for miscellaneous employees.

D. Effective November 24, 2000, the PERS contract shall provide to miscellaneous members the 2% @ 55 full formula. Miscellaneous members who retire after the effective date of the contract amendment will be subject to this formula.

E. Effective November 24, 2000, a lump sum death benefit of $5,000 will be paid to beneficiaries of retired members. This benefit will be applicable to deaths occurring after the effective date of the contract amendment.

F. Effective May 26, 2000, the PERS contract shall provide for the Pre-Retirement Optional Settlement 2 Death Benefit. Under this provision, the spouse of a deceased member, who was eligible to retire for service at the time of death, may elect to receive a monthly allowance in lieu of the lump sum Basic Death Benefit.

SECTION 3.3 DEFERRED COMPENSATION PLAN

The references to and option to fund the RHSP and the existing RHSP language in this Section 3.3 is deleted as of December 31, 2007.

A. All employees covered by this resolution are eligible to participate in a 457 and/or 401(a) deferred compensation plan pursuant to this resolution. Employees are also eligible to participate in the Retirement Health Savings Plan pursuant to this resolution.

B. Plan documents outlining all three plans have been adopted by the City Council and are on file in the Office of the City Treasurer.

C. Employees in the 457 and 401(a) plans may defer up to the limits set by law.

1. If an employee is not participating in the 401(a) plan, the City will match an employee contribution to the 457 plan up to a maximum of 0.5% of base pay per calendar year.

2. For current employees as of July 1, 2001 who irrevocably elect to participate in the 401(a) plan, the City will match up to a maximum of 0.5% employee contribution placed in the 401(a) plan.

3. All employees hired after July 1, 2001 will irrevocably be participants in the 401(a) plan per this section.

D. Retirement Health Savings Plan (RHSP)

1. For retiring or separating employees that are currently enrolled and have elections in place as of December 31, 2006, the following shall apply through December 31, 2007:

a. Contributions into the plan in increments of 10% up to 100% of either or both of the totals of accrued sick leave and vacation leave.
b. Any excess sick or vacation leave not paid into the RHSP may be deferred into the 457 plan up to limits allowed by law or will be paid in cash.

2) For any active employee who is currently enrolled and have elections in place as of December 31, 2006, the following shall apply through December 31, 2007:

Any elected sick leave or vacation leave balances in increments of 10% up to 100% over 500 hours as of October 15, 2007 will be deposited into the plan.

Note: If State, Federal or PERS guidelines are changed regarding the employer's contribution to the deferred compensation program, moneys contributed by the employer to the deferred compensation program shall revert to another mutually accepted benefit of equal value.

SECTION 3.4 SICK LEAVE

The references to and option to fund the RHSP and the existing RHSP language in this section is deleted as of December 31, 2007.

A. Introduction

1. Sick leave is a benefit and not a right and is to be utilized by employees who are unable to work because of an injury or illness not arising out of the course of their employment, except as provided otherwise in this section.

2. The sick leave benefit should be thought of as an insurance policy; it insures and protects employees from a loss in wages when they are unable to work because of an illness or injury.

3. The City considers good attendance to be a very important part of an employee's overall performance. Absenteeism creates a hardship on City operations and co-workers, resulting in work schedule disruptions and added costs.

4. Misuse of sick leave shall be grounds for disciplinary action.

B. Sick Leave Use

An employee shall be granted sick leave for the following reasons:

1. Personal illness or injury
Medical or dental appointments including preventative care. Employees are encouraged to schedule medical and dental examinations of a non-urgent nature outside of normal working hours. Appointments scheduled during normal working hours constitute sick leave, provided that the employee gives advance notice in accordance with departmental rules and regulations.

Forced quarantine of the employee is in accordance with community health regulations.

2. Family illness or injury:
Illness, injury or medical appointment of a member of the employee's immediate family which requires that employee's presence. Immediate family for the purpose of this section is defined as spouse, mother, mother-in-law, father, father-in-law, sister, brother, child or guardian, stepfather, stepmother, stepchildren, grandparents or grandchildren.

C. Accrual Rate:

Category A and B employees, with the exception of the City Manager, shall be granted six hours of sick leave per month.

D. Effective May 1, 2002, Conversion of Sick Leave Insurance:

1. The employee may select to convert any sick leave granted but unused over three hundred (300) hours into cash or into the 457 deferred compensation plan at the rate of one hour of pay for each hour of unused sick leave. Requests for such payments or deferral to the 457 plan shall be made before the 1st of December each year. Payments shall be made no later than 30 days after date of request.

2. No later than October 15 each year, those who wish to participate in the Retirement Health Savings Plan may irrevocably declare their intent to defer sick leave balances over 500 hours (City Manager over 173.3 hours) into the plan. The cash out will be made the first pay period in November.

3. For those employees who do not wish to participate in the Retirement Health Savings Plan, during the first full pay period in December, any sick leave in excess of 500 hours on the books as of December 1st will be automatically deferred into the 401(a) plan for employees who have elected to participate in the 401(a) program ("Participating Employees") at the rate of one hour of pay for each hour of unused sick leave.

4. For employees who have elected not to participate in the 401(a) plan ("Non-Participating Employees") any accrued sick leave in excess of 600 hours on the books as of December 1 shall be converted into cash. Payments shall be made no later than December 31.

5. For "Participating Employees" in the 401(a) plan at the time of retirement, an employee shall have his/her accumulated sick leave balance deferred into a 401(a) account subject to the plan limits. At retirement, (minimum of age 50 and 5 years of service with the City of Torrance) each hour of accumulated sick leave shall equal 100% hourly rate of base salary. For those employees who are participating in both Retirement Health Savings Plan and 401(a) plans, any excess sick leave on the books at the time of retirement will be deposited in the 401(a) plan.

6. For "Non-Participating Employees" at the time of retirement and for all employees at the time of separation from the City, after the appropriate years of service, an employee shall have his/her accumulated sick leave balance converted into cash or deferred into a 457 account as follows:

    a. After one year of service, each hour of accumulated sick leave shall equal ¼ hour base salary;
    b. After seven years of service, each hour of accumulated sick leave shall equal ½ hour of base salary;
    c. At retirement for non-participating employees, or upon separation of any employee who meets PERS eligibility for retirement, (minimum of age 50 and 5 years of service with the City of Torrance) each hour of accumulated sick leave shall equal 100% hourly rate of base salary.

7. In case of death of an employee, each hour of accumulated sick leave shall equal one hour of salary to be paid to the employee's designated beneficiary.

E. Sick Leave - City Manager:

The references to and option to fund the RHSP and the existing RHSP language in this section is deleted as of December 31, 2007.

1. The City Manager shall earn sick leave at the rate of six (6) hours per month.
2. There shall be no maximum on the number of hours of unused sick leave that can be accumulated except as provided by the City Charter. Each day of sick leave earned after reaching the maximum accumulation shall be converted into cash and deposited into a deferred account at the rate of 100% hour salary for each hour of sick leave in lieu of being accrued.
3. Sick leave may be used for personal or family illness.
4. At time of termination after at least seven (7) years of service, each hour of earned unused sick leave shall be converted into cash or deferred income on the basis of ½ hour pay for each hour of unused sick leave; upon retirement such conversion shall be at the rate of 100% hourly rate of pay for each hour of unused sick leave; in case of death, conversion shall be at the rate of one hour of pay for each hour of unused sick leave to be paid to the employee's designated beneficiary.
5. At any time the City Manager cashes out sick leave over 173.3 hours, he may elect to defer that cash-out into the 401A, 457 deferred plan, or Retirement Health Savings Plan in increments of 10% to 100% of the amount cashed out. Upon termination from the City, the City Manager may also elect to defer cash-outs into the RHSP.
6. The City Manager shall be covered by a long term disability insurance policy. The premiums shall be paid for by the City and the policy shall provide a 30 day waiting period, 50% compensation during illness after 30 days for 10 years in case of illness, or until age 65 in case of disability caused by accident. The policy shall include a premium refund for non-usage.

a. If there is a refund of non-used premiums, that refund amount shall be converted to sick leave hours, taking the City Manager's hourly pay rate and dividing that amount into the total refund.
b. Those sick leave hours can only be used for deferral purposes into the City's Retirement Health Savings Plan. They may not be used for sick pay.
c. The entire amount of sick leave hours will then be deferred into the RHSP.
d. The City Manager must fill out a form no later than October 15 of each year in order to make this deferral.
e. The payment into the plan will be made the first pay period in November

F. Sick leave standard:

1. Use of sick leave shall not necessarily in and of itself constitute misuse. However, sick leave use not related to a legitimate illness, or injury which exceeds standard usage and/or which has a predictable pattern may initiate a review of sick leave usage. If it is determined that an employee has misused their sick leave, the employee shall be notified of any restrictions or requirements to be placed upon the employee's use of sick leave regarding notification or use of other accrued leaves in cases where there is insufficient sick leave available.

2. Components of the sick leave standard may include section/division/department sick leave utilization average, taking into consideration the number of incidents and the numbers of hours used, paternalistic sick leave use, depleted sick leave and/or other elements as reasonably established in the departmental work rules.

G. Notification of sickness:

1. To receive compensation while absent on sick leave, employees shall notify the section/division/department in the manner provided in departmental rules and regulations stating the nature or reason for the absence.

2. An employee who has been counseled about sick leave usage within the preceding twelve (12) months may be advised, as part of said counseling, that he/she will be required to furnish reasonable evidence, including a written statement from a medical professional, to substantiate any request for sick leave of two (2) days or more.

3. A department may require a written statement from a medical professional without prior counseling where the absence is greater than five (5) consecutive workdays, or in cases where there is evidence of a specific violation of departmental work rules.

H. Return from sick leave:

Upon return from sick leave, an employee may be required by the department head to report for examination by the City medical examiner to determine fitness for duty.

I. Depleted sick leave:

Employees who have insufficient sick leave accrued to cover an absence may request the use of other accrued leaves, according to departmental work rules. If no other accrued leaves are granted, employees are required to apply for a leave of absence without pay at the earliest possible time; that is, at the beginning of the leave or immediately upon return to work. Failure to submit the request for leave will constitute unauthorized absence, which could lead to disciplinary action. Such a request for leave shall not be unreasonably denied.

J. The employees covered by this resolution are eligible to participate in the Catastrophic Leave Program described in Attachment B.

SECTION 3.5 INDUSTRIAL INJURY LEAVE

A. For injuries sustained to non-safety employees prior to August 3, 1997, the following applies:

In the event an employee sustains an injury or illness arising out of and occurring in the course of his/her employment with the City, the employee shall be entitled to industrial injury leave as follows:

1. Up to three (3) months during the first three (3) years of employment.
2. Up to six (6) months during the fourth (4th) year of employment.
3. Up to twelve (12) months after four (4) years of employment for industrial injury.
4. Such leave shall be at ninety percent (90%) of regular salary rate. Said leave shall terminate upon return to regular work or when the injury is deemed permanent or stationary, or at the expiration of the maximum time period listed in this Section.

B. For injuries sustained to non-safety employees on or after August 3, 1997, the following applies: In the event an employee sustains an injury or illness out of and occurring in the course of his/her employment with the City, the employee shall be entitled to industrial injury leave as follows:

1. Up to three (3) months during the first three (3) years of employment.
2. Up to six (6) months during the fourth (4th) year of employment.
3. Up to eight (8) months after four (4) years of employment for industrial injury.
4. Such leave shall be at eighty-five percent (85%) of regular salary rate. Said leave shall terminate upon return to regular work or when the injury is deemed permanent or stationary, at the expiration of the maximum time period listed in his Section.

C. In the event the Fire Chief or Police Chief sustains an illness or injury occurring in the course of his/her employment with the City, the employee shall be entitled to that compensation prescribed by State Law and all items of compensation specified by this agreement.

D. Employees who are on industrial injury leave with pay as a result of an industrial injury shall continue to accrue seniority, and shall receive holidays, accrue vacation and sick leave benefits the same as if they had been present for duty.

E. An employee on industrial injury leave shall be under the direction of the City subject to medical advice and shall be available at all times unless he/she receives specific permission from the City.

F. An employee on industrial injury leave shall inform the city of any current outside employment and/or any such outside employment during the four (4) years immediately prior to such injury. An employee on industrial injury leave shall not enter into any employment or physical activity, as determined by an appropriate physician, which might exacerbate his injury or illness.

SECTION 3.6 ADMINISTRATIVE LEAVE

All Category A Employees covered by this Resolution, except the City Manager, shall receive eight days of administrative leave per fiscal year. This leave may not be cashed out and is non-accruable.

The City Manager shall receive four days of administrative leave per fiscal year. This leave may not be cashed out and is non-accruable.

SECTION 3.7 PERSONAL LEAVE

All Category B Employees covered by this Resolution shall accrue a total of 27 hours of personal leave at the beginning of each fiscal year. This leave may not be cashed out and ceases to accrue after the full 27 hours are earned.

SECTION 3.8 HOLIDAYS

A. For the purpose of this Resolution, the following days shall be considered holidays with pay: New Year's Day, Martin Luther King Jr.'s Birthday, Lincoln's Birthday, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Veterans' Day, Thanksgiving Day, day after Thanksgiving, the last working day prior to Christmas Day, Christmas Day, and the last working day prior to New Year's Day.

B. When a holiday occurs on Saturday, the day immediately preceding will be observed as the holiday. When a holiday occurs on Sunday, the day immediately following will be observed as a holiday, if a holiday falls on any other scheduled day off, the management employee may, subject to City Manager approval, take another day off.

C. A holiday shall be construed as the value of the normal work shift.

SECTION 3.9 HOLIDAYS FOR 9/80 PARTICIPANTS

A. For those employees with weekends, which consist of a Saturday and Sunday, the following shall apply:

1. If a holiday falls on a Saturday and the prior Friday is an 8-hour work day in which the employee is schedule to work, the City will close and the employee will be off work with eight (8) hours holiday pay.

   If the holiday falls on a Saturday and the Friday before is the employee's 9/80 schedule day off the City will close on Friday and the employee will accrue eight (8) hours holiday leave which will be added to the employee's vacation leave balance.

2. If a holiday falls on a Sunday, the Monday following will be observed, the City will close, and the employee will be off work and the holiday criteria outlined in 3.9.A.1 will apply.

B. For those employees whose regularly scheduled weekends are other than Saturday and Sunday the following shall apply:

   If the holiday falls on any scheduled day off, the employee shall receive eight (8) hours vacation leave (or eight [8] hours in the case of the days before Christmas Eve and New Years Eve).

SECTION 3.10 VACATION

A. Individuals shall earn vacation as follows:
   1. The rate of 9.33 hours per month of service by each regular employee.
   2. Commencing with the second year of service, at the rate of 10 hours per month of employment.
   3. Commencing with the fifth year of service at the rate of 12.67 working hours per month of employment.

4. Commencing with the tenth year of service, at the rate of 16.02 working hours per month of employment.
5. Commencing with the twenty-first year of service, at the rate of 17.34 hours per month of employment.
6. Commencing with the twenty-fifty year of service, at the rate of 18 hours per month of employment.

B. Eligibility:
Employees shall earn vacation only while receiving compensation from or through the City.

C. Scheduling:
The time of taking vacation shall be determined by the employee, subject to review by the City Manager. An employee may take vacation only in increments of full days or shifts unless City Manager approval is given for smaller increments.

D. Borrowing:
An individual may borrow up to 40 hours of unearned vacation subject to the approval of the City Manager for Executive Employees, and the Department Head and City Manager for Management Employees. Any borrowed vacation owed by an employee separating service from the City shall be deducted from the employee's final pay.

E. Effect of Separation:
For Non-Participating Employees of the 401(a) deferred compensation plan, any vacation owed to a separating employee shall be added to the employee's final pay or may be deferred into the 457 deferred plan up to the maximum limits.

F. Effect of Holidays:
When an authorized holiday occurs during a vacation period, such days shall not be deducted from earned vacation.

G. No later than October 15 each year, those who wish to participate in the Retirement Health Savings Plan may irrevocably declare their intent to defer vacation leave balances over 500 hours (City Manager over 173.3 hours) into the plan. The cash out will be made the first pay period in November.

H. Vacation accruals over 500 hours which are on the books as of December 1st of each year will be automatically deferred into the 401(a) account by December 31st for "Participating Employees." "Non-Participating Employees" may accrue vacation up to a maximum earned during the preceding 36 months.

I. For those employees who do not wish to participate in the Retirement Health Savings Plan, vacation accruals over 500 hours which are on the books as of December 1st of each year will be automatically deferred into the 401(a) account by December 31st for "Participating Employees." "Non-Participating Employees" may accrue vacation up to a maximum earned during the preceding 36 months.

J. Pay for Vacation:
An individual, subject to City Manager approval, may select to receive pay in lieu of a specified amount of vacation each fiscal year (28 days prior notice must be given for such a request).

K. Vacation leave is allocated on an hour by hour basis.

L. At the time of retirement, accumulated vacation balance shall be deferred into a 401(a) account for "Participating Employees."

SECTION 3.11 BEREAVEMENT LEAVE

Each Management employee shall be entitled to up to three (3) work shifts of bereavement leave with pay per death of a covered family member. Additional leave, up to two (2) work shifts may be granted due to an out-of-state death, or in the state in excess of 300 miles from the borders of the City of Torrance

A. Such bereavement leave shall apply to a death in the immediate family.

B. Immediate family shall have the same meaning as used with regard to family sick leave. In addition, up to 1 work shift of this leave may be used for a relative not named in the sick leave listing, subject to approval by the City Manager for Executive Employees, and by the Department Head and City Manager for Management Employees.

C. Such bereavement leave shall not be accruable from year to year nor shall it have any monetary value if unused.

D. The City Manager may require proof of the death of the family member.

SECTION 3.12 VEHICLE ALLOWANCE

A. Car Allowance Category 1

1. Section 2.1 denotes employees with Car Allowance Category 1.
2. All such employees receive a car allowance as specified by the City Council. Such allowance is not intended to cover mileage reimbursement for business trips of over 25 miles each way. Such excess miles (over 50 miles round trip) shall be reimbursed at the City's specified rate.
3. This car allowance is separate from base pay.

B. Car Allowance Category 2

1. Section 2.1 denotes employees with Car Allowance Category 2.
2. The car allowance as specified by City Council has been included in base pay. Such allowance is not intended to cover mileage reimbursement for business trip of over 25 miles each way. Such excess miles (over 50 miles roundtrip) shall be reimbursed at the City's specified rate.

C. Car allowance Category 3

1. Section 2.1 denotes employees with Car Allowance Category 3.
2. These employees do not now and never have received a car allowance.
3. Employees in this category are eligible for mileage reimbursement of any business trips at the City specified rate.

D. The City Council, at its discretion, shall provide the City Manager and designated individuals with vehicles in lieu of any allowance.

SECTION 3.13 JURY DUTY

An individual who is duly summoned to attend any court, during the time regularly required for his office or employment, for the purpose of jury service shall be entitled, while so engaged and actually serving, to this regular compensation, provided that he deposits his jury service fees pursuant to the provisions of Administrative Rules.

SECTION 3.14 REIMBURSABLE EXPENSES

A. Category A Employees

The City shall reimburse costs up to $1500.00 per fiscal year for each management employee for the following eligible expenses:

1. Employee medically related purposes such as medical examination and treatment, optical, dental, or prescription drugs; or, family counseling for the management employee or dependent.
2. Tuition or training reimbursement.
3. Acquisition of City compatible computer hardware, software or peripheral equipment.

B. Category B Employees-

The City shall make available $750 per fiscal year for each management employee for the following eligible expenses:

1. Employee related medical expense such as medical examination, optical, dental, or prescription drugs; or, family counseling for the management employee or dependent.
2. Tuition or training reimbursement.
3. Acquisition of City compatible computer hardware, software or peripheral equipment.

Any amount remaining from the previous fiscal year shall be carried forward to the following fiscal year, for a maximum of two years. Any expense remaining from the previous fiscal year shall be carried forward for a maximum of three years.

SECTION 3.15 PRO-RATED BENEFITS

Employees who work less than full-time shall receive part-time pro-rated benefits in the following areas:

- Section 3.1 Insurance
- Section 3.4 Sick Leave
- Section 3.6 Administrative leaves
- Section 3.7 Personal leaves
- Section 3.8 holidays
- Section 3.10 Vacation
- Section 3.11 Bereavement leave
- Section 3.12 Vehicle allowance
- Section 3.14 Reimbursable expenses

ARTICLE 4 - GENERAL PROVISIONS

SECTION 4.1 NONDISCRIMINATION, EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION

The City and its Management Employees agree that both parties have a crucial role in the development and implementation of equal employment opportunities. Both parties mutually accept responsibility for carrying out these provisions.

SECTION 4.2 MOVE UP ASSIGNMENT

A Management Employee moved up to acting department head for one full work day, shall receive a 7½% move up premium above base salary, and any premium pay received as outlined in Section 2.3, for all such time. Such shall be subject to the approval of the City Manager.

If the temporary absence of the department head continues in excess of 30 consecutive calendar days, the employee shall then be paid at the salary rate of the lowest step for such assigned position which is higher than the current base salary of that employee, to which shall be added earned longevity pay increments.

ARTICLE 5 - MISCELLANEOUS

SECTION 5.1 MANAGEMENT TRAINING

A. Executive Employees

The amount of $7,701 shall be budgeted for organization training purposes for the Executive Employees. Any amount not spent in previous years shall be added to this amount.

B. Management Employees

Effective each July the amount of $159 per position shall be budgeted for individual or group training purposes, or conference registration. A committee of three shall select and schedule training programs for Management Employees, subject to the City Manager's approval.

Moneys allocated from previous years which are not expended by the end of the fiscal year shall be carried over for training purposes into the next fiscal year.

SECTION 5.2 PROBATIONARY PERIOD

There shall be a one-year probationary period for all original appointments to classified positions covered by this Resolution

SECTION 5.3 LATERAL OPPORTUNITY FOR MANAGEMENT EMPLOYEES

A. Permanent Management Employees may make themselves available for lateral entry into an alternate management classification whose salary range is equal to or less than that of the classification of position presently held by the employee. (A salary range shall be considered to be equal to if there is less than a seven and one-half percent (7.5%) difference in the highest step in the base salary range for the class.)

B. When a position in a classification for which employees have applied for lateral entry becomes vacant, employees who have so applied shall be given the opportunity to lateral into the position pursuant to the following:

1. No promotional list exists for the position.

2. The department heads involved approve of the lateral appointment. Such approval will not be required where lateral appointment is the result of a layoff or medical disability.

3. The City Manager concurs in the lateral appointment.

4. Priority of consideration shall be on the basis of seniority subject to the above.

5. Such lateral appointment of the employee shall be subject to a ninety (90) day period to verify his competency in the new position.

   The employee shall receive a progress report from the department head at the end of each thirty (30) day period. If an employee does not qualify, he shall be returned to his previous status.

C. The approval and verification of department head and the City Manager shall be final.

D. If an employee accepts a lateral transfer, his salary shall be at his former rate or at the highest step of the lower range, whichever is the lower.

SECTION III SEVERABILITY

If any section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Resolution. The City Council hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

Introduced, approved, and adopted this ____ day of June, 2007.

_____
Mayor of the City of Torrance

APPROVED AS TO FORM:
JOHN FELLOWS III, City Attorney

ATTEST:

by _____
Ronald T. Pohl, Assistant City Attorney

_____
Sue Herbers, City Clerk

Attachment A

CITY OF TORRANCE
PERSONNEL DEPARTMENT
PROCEDURES AND RULES REGARDING LONG-TERM DISABILITY PLAN AND PARTIAL DISABILITY

I. PURPOSE

To provide a uniform approach for administering the City's Long-Term Protection Plan.

II. DEFINITIONS

1. "Injury" means bodily injury caused by a non-industrial accident occurring while the employee is employed by the City.

2. "Sickness" means non-industrial sickness or disease causing loss of employment while the individual is employed by the City.

3. "Total Disability" means the substantial inability or physical incapacity of the employee to engage in his/her regular occupation or an occupation of similar compensation as the result of non-industrial sickness or injury.

4. "Partial Disability" means the substantial inability or physical incapacity of the employee to engage, except on a half-time basis, in his/her regular occupation or an occupation of similar compensation as the result of non-industrial sickness or injury.

5. "Regular Care and Attendance" means observation and treatment to the extent necessary under existing standards of medical practice for the condition causing the disability.

III. BENEFITS UNDER THE CITY PROGRAM

1. Total or Partial Disability:

   If an injury or sickness results in continuous total disability or continuous partial disability or combination of both, the employee while covered hereunder, who requires "regular care and attendance", shall receive from the City the monthly benefit. The monthly benefit will terminate on the earliest of:

   a. The date of death of the employee;
   b. The date benefits have been incurred for the maximum benefit period;
   c. The date the employee retired (provided, however, that the employee shall receive a total of the monthly benefit related to a combination of both retirement and long-term disability benefits if totally or partially disabled to the normal expiration of benefits);
   d. The date the employee ceases to be totally or partially disabled;
   e. The date specified in a settlement agreement between the employee and the City.

   The employee shall be eligible for benefits as noted below:

Full-time Employment		Full-time LTD
Two (2) months	=	One (1) month

Full-time Employment		Part-time LTD
One (1) month	=	One (1) month

Part-time Employment		Full-time LTD
Four (4) months	=	One (1) month
Part-time Employment		**Part-time LTD**
Two (2) months	=	One (1) month

2. Recurrent Disability:

   a. If, following a period of disability due to sickness or injury, for which the Monthly Benefit was payable under the program, the employee shall resume duties of his or her regular occupation for a continuous period of one year or more, any subsequent disability resulting from or contributed to by the same cause or causes shall be considered as a new period of disability.

   b. If the injured employee resumes the duties of his/her regular occupation, for less than a one-year period of time, the following shall apply:

      1. A subsequent disability resulting from the same cause shall be considered a continuation of the original incident. The employee shall be eligible for the length of time specified in the Long-Term Disability Benefit section of the Resolution less that amount of time previously utilized for the same incident.
      2. An employee who sustains a subsequent disability resulting from a new cause shall be eligible for one month of benefits for each two months of service worked in the intervening period of time plus any earned time remaining from the initial incident.

   c. The determination as to whether a disability is a new incident or a continuation of an original incident shall be subject to verification by medical authority and appropriate supporting medical documentation.

IV. REDUCTIONS

1. The monthly benefit otherwise provided under this program for any period shall be reduced by any amount received by or due to be received by the employee from the following sources for the same period so that the total combined amount shall not exceed the employee's base pay:

   a. Any State or Federal Government Disability or Retirement plans;
   b. Salary or wages paid by the employer or other employer;
   c. Workers' Compensation or any similar law;
   d. Any total disability and total and permanent disability provisions of any insurance policy; and
   e. Unemployment insurance.

V. TERMINATION OF COVERAGE

1. The coverage of any employee shall terminate on the earliest of the following dates:

   a. The date the program is terminated by mutual agreement of the employee groups and the City of Torrance;

   b.* The date the employee leaves or is dismissed from the employment of the employer, is retired or leaves the representation groups covered by the Master Resolution.

* Monthly benefits may extend beyond the termination date of employment for the maximum benefit period, provided, however, that insurance coverage was in effect at the time the injury/illness was sustained.

c. The date of entry of the employee into military service except for temporary duty of 30 days or less.

2. Such termination shall be without prejudice to any pre-existing total disability claim of the employee except as agreed to between the parties in settlement.

VI. EXCLUSIONS

1. The program does not cover disability:
   a. Resulting from any intentionally self-inflected injury;
   b. Caused by or resulting from service in the Armed Forces of any country, except for temporary active duty assignments of not more than 30 days.
   c. Resulting from any act of war, declared or undeclared;
   d. Resulting from participating in or consequence of having participated in the committing of a felony.

Attachment B

CATASTROPHIC LEAVE PROGRAM

Purpose

The Purpose of this Catastrophic Leave Program is to allow employees to assist another employee during times of personal crisis when serious illness or injury has incapacitated him/her or a family member and the employee is therefore unable to work. It can also be used for employees who suffer catastrophic illness or injury who must undergo intermittent medical treatment such as chemotherapy. This program is solely for employees who accrued leave balances have been exhausted.

Policy

The Catastrophic Leave Program allows an employee to transfer eligible leave credits (vacation, sick leave compensatory time and/or administrative leave) to another employee when a catastrophic illness or injury occurs. A catastrophic illness or injury is defined as an serious health condition which substantially incapacitates an employee or qualifying family member, or which forces the employee or family member to undergo ongoing and lengthy substantial medical treatment. The illness or injury further creates a financial hardship because the employee has or will exhaust all leave time. For the purpose of the Catastrophic Leave Program, qualifying family member shall mean an employee's parents, step parents, spouse, children and stepchildren.

An employee will not be eligible for catastrophic leave until he/she has exhausted all leave time, including sick leave, vacation, compensatory time and administrative leave.

Donated hours may be used under the following situations:

- To cover the elimination period before short-term and/or long- term disability benefits began
- To supplement short-term and/or long-term disability benefits
- To cover the time used on unpaid Family Leave

Procedures / Guidelines for Using Catastrophic Leave

1. Leave of absence paperwork[1] must be submitted to the Human Resources Department. It should include the nature of the illness and the dates the employee expects to be absent. The leave must be approved by the Department Head and the Human Resources Director.
2. Verification of illness or injury of the employee or qualifying family member must be provided in writing by the treating physician on the City provided forms.
3. The employee or representative makes a request for catastrophic leave donations to the employee's department. The City Manager's Office is then notified and advertises the donation request via e-mail.
4. The period of absence will be determined by the written verification of the employee's or family member's physician and will not be based on the number of hours donated.
5. Employee who are approved for the Catastrophic Leave Program due to a qualifying family members' catastrophic illness/injury may use donated time for a maximum of 12 weeks during a rolling one year period, as is allowed by the Family and Medical Leave Act.
6. Employees must exhaust all personal leave hours (vacation, sick leave, etc.) prior to using any donated hours.

[1] Leave of Absence Paperwork consists of: "Request for Leave of Absence" form and either a "UNUM" form (for personal illness or a "Family Medical Certification" form (for family illness).

7. Employees will not accrue vacation, sick leave, or service time while using donated hours.
8. Donated hours may not be converted to cash ("cashed down").
9. The catastrophic leave bank will be closed and no further donations will be accepted under the following conditions:
   - The ill/injured employee returns to work full time, or
   - The 12 weeks of Family Leave have been exhausted, or
   - The ongoing, intermittent treatment program has been completed.

   In these cases, any unused donated balances will be returned to the respective donating employees.

10. Any subsequent illness after the close of the bank will require a new request and approval.

Procedures / Guidelines for Donating Hours:

1. Employees who wish to donate eligible leave hours must complete a Catastrophic Leave Bank Transfer Authorization form.
2. Donation of Catastrophic Leave hours fare made on a voluntary basis.
3. All donated time must be in increments of one hour or more.
4. Donation of leave hours, once used, are irrevocable and become part of the receiving employee's leave bank.
5. Employees with less than 40 hours of sick leave may not donate sick leave hours. This provision may be waived by the City Manager if a donating employee has given notice of terminating employment with the City and there is a current qualified Catastrophic Leave Bank recipient.

Confidentiality

To protect the confidentiality of the program, the names of individuals who donate will not be released. The exact amount of hours donated will be provided to the receiving employee upon request for the purpose of computing the length of time to be covered by the catastrophic leave bank.