



COUNCIL AGENDA: 6/25/2019

ITEM: 3.9

FILE NO: 19-588

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Toni J. Taber, CMC
City Clerk

SUBJECT: SEE BELOW

DATE: June 25, 2019

SUBJECT: City Auditor Appointment and Compensation Package.

RECOMMENDATION:

As recommended by the Rules & Open Government Committee on June 19, 2019:

1. Adopt a resolution appointing Joe Rois as City Auditor and approving compensation for services as City Auditor for a term beginning June 25, 2019 and ending June 30, 2021 consistent with the following terms and the attachment in this memo.

a. Salary: The starting bi-weekly salary will be \$6,538.46, which is equivalent to an annual amount of \$170,000.

b. Executive Management Benefits: As executive management, the Appointee will receive the benefits that are included in the Executive Management and Professional Employees (Unit 99) Benefit and Compensation Summary (attached). The Appointee will also receive a \$350.00 monthly automobile allowance in accordance with the current City policy and an option to receive payments in-lieu of health care coverage.

c. Vacation and Executive Leave: The Appointee will accrue vacation and receive executive leave in accordance with Executive Management and Professional Employees (Unit 99) Benefit and Compensation Summary. The Appointee has already accrued and used eighty hours of executive leave in the 2019 calendar year, and will not be eligible for additional executive leave in 2019. Executive Leave cannot be cashed out or carried over into the next calendar year under any circumstances. Vacation can continue to accrue up to twice the annual accrual rate.

d. Outside Employment: The Appointee will not engage in outside employment without City Council approval.

CEQA: Not a Project, File No. PP17-010, City Organizational & Administrative Activities resulting in no changes to the physical environment. (Mayor)

[Rules Committee referral 6/19/19 - Item G.2]



Memorandum

TO: CITY COUNCIL

FROM: Mayor Sam Liccardo

**SUBJECT: CITY AUDITOR
APPOINTMENT AND
COMPENSATION PACKAGE**

DATE: June 14, 2019

Approved: _____

Date: _____

6/14/2019

RECOMMENDATION

1. Adopt a resolution appointing Joseph Rois as City Auditor and approving compensation for services as City Auditor for a term beginning June 25, 2019 and ending June 30, 2021 consistent with the following terms and the attachment in this memo.
 - Salary: The starting bi-weekly salary will be \$6,538.46, which is equivalent to an annual amount of \$170,000.
 - Executive Management Benefits: As executive management, the Appointee will receive the benefits that are included in the Executive Management and Professional Employees (Unit 99) Benefit and Compensation Summary (attached). The Appointee will also receive a \$350.00 monthly automobile allowance in accordance with the current City policy and an option to receive payments in-lieu of health care coverage.
 - Vacation and Executive Leave: The Appointee will accrue vacation and receive executive leave in accordance with Executive Management and Professional Employees (Unit 99) Benefit and Compensation Summary. The Appointee has already accrued and used eighty hours of executive leave in the 2019 calendar year, and will not be eligible for additional executive leave in 2019. Executive Leave cannot be cashed out or carried over into the next calendar year under any circumstances. Vacation can continue to accrue up to twice the annual accrual rate.
 - Outside Employment: The Appointee will not engage in outside employment without City Council approval.
2. Place the item on the June 25, 2019 Council agenda for action.

Honorable Mayor and City Council

June 14, 2019

Subject: City auditor appointment and compensation package

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BACKGROUND

Pursuant to City Charter Section 805, the City Auditor shall be appointed by the Council after the expiration of the latest incumbent's term of office. Each such appointment shall be for a term ending four (4) years from and after the date of expiration of the immediately preceding term; provided, that if a vacancy should occur in such office before the expiration of the former incumbent's terms, the Council shall appoint a successor to serve only for the remainder of said former incumbent's term. The former City Auditor retired on March 29, 2019, which created a vacancy during the City Auditor's four-year term of July 1, 2017 – June 30 2021. Pursuant to Section 805, the appointment of Joseph Rois is for the remainder of the former incumbent's term.

**CITY OF SAN JOSE
EXECUTIVE MANAGEMENT AND PROFESSIONAL EMPLOYEES (UNIT 99)
BENEFIT & COMPENSATION SUMMARY
JULY 1, 2018 – JUNE 30, 2021**

WAGES

Effective July 1, 2018, employees in Unit 99 shall receive an approximate 5% ongoing non-pensionable compensation increase.

Effective June 30, 2019, employees in Unit 99 will receive a base pay increase of approximately 3%. This will result in both the top and bottom of the pay range being increased by approximately 3%.

Effective June 28, 2020, employees in Unit 99 will receive a base pay increase of approximately 3%. This will result in both the top and bottom of the pay range being increased by approximately 3%.

BILINGUAL PAY

An employee who is required to use a non-English language on a regular basis may be eligible to receive a bi-weekly payment of \$29 for oral translation only or \$40 per pay period for oral/written translation. Employees must be certified as bilingual by the Human Resources Department.

MANAGEMENT PERFORMANCE PROGRAM (MPP)

The Management Performance Program is an annual employee evaluation system that provides eligible employees performance based wage increases.

Each employee who is not already at the top of the salary range may be eligible to receive a performance based increase for the rating period. The MPP also provides that employees may receive up to forty (40) hours of additional executive leave.

Please refer to City Policy Manual (CPM) Section 3.3.2 for additional information.

PROFESSIONAL DEVELOPMENT PROGRAM (PDP)

Each eligible employee may be reimbursed for up to \$1,000 per fiscal year, pro-rated for part-time employees, (July 1 – June 30) for the purchase of textbooks required for an approved course, college accredited courses, non-college accredited courses, continuing education units, adult education classes, workshops, seminars, travel expenses, memberships in professional associations, professional licenses and professional certificates which are either related to and is beneficial for the work of the employee's current City position or occupation, must satisfy a continuing education requirement of the employee's current City position or occupation or must prepare the employee for advancement/promotion to positions of greater responsibility in the City that is within the employee's current trade or business.

A total of \$500 (of the \$1,000 annual maximum) may be reimbursed for professional materials that include professional books and professional magazine subscriptions, professional books to prepare for certifications or licensing, and other learning materials (learning/training software, videos, etc.) for educational purposes provided that the materials relate to and are beneficial for the work of the employee's current City position or occupation or are required of the employee's current City position or occupation.

Please refer to CPM Section 4.3.2 for additional information and requirements.

Temporary employees are not eligible for this benefit, except employees in the Management Fellow classification.

PROFESSIONAL MEMBERSHIPS

Each employee is eligible for reimbursement for membership fees or dues paid for the maintenance of a license required to perform employee's job and for dues paid for membership in one (1) additional job-related professional association.

*Temporary employees **are not eligible** for this benefit.*

RETIREMENT

Full-time eligible employees are members of the Federated City Employees' Retirement System. For more information regarding retirement benefits, please refer to the Federated City Employees' Retirement System Handbook, which summarizes the information from the San Jose Municipal Code.

Retirement Tier	Eligibility	Retiree Healthcare
Tier 1	<ul style="list-style-type: none">Hired before September 30, 2012Tier 1 Rehires	Defined Benefit: Dental with 5 years of service in the Retirement System, and Medical with 15 years of service in the Retirement System <i>VEBA Option (No Ongoing Contributions)</i>
Tier 2A	<ul style="list-style-type: none">Hired between September 30, 2012 and September 27, 2013	Defined Benefit: Dental with 5 years of service in the Retirement System, and Medical with 15 years of service in the Retirement System <i>VEBA Option (No Ongoing Contributions)</i>
Tier 2B	<ul style="list-style-type: none">Hired on or after September 27, 2013	Ineligible for Defined Benefit <i>VEBA (No Ongoing Contributions – only eligible for an account if promoted from a bargaining unit represented position)</i>
Tier 3	<ul style="list-style-type: none">In lieu of Tier 2B, employees may elect to make an irrevocable choice to enroll in a defined contribution retirement plan on their first day of employment.	Ineligible for Retiree Healthcare

Fact sheets for Tier 1, Tier 2A, Tier 2B, and Tier 3 can be found on the Federated City Employees' Retirement System website hosted by Retirement Services Department at the following location:

- <https://www.sjretirement.com/Fed/Plan/Benefits.asp>

This section is just a summary of retirement benefits. The City's Municipal Code and/or City Charter provide the parameters of the City's retirement provisions.

*Part-time and temporary employees **are not eligible** for membership in the City's retirement system, but participate in the "PTC" plan in lieu of Social Security wherein the City and the employee each contribute 3.75% of gross income to a defined contribution retirement account.*

RETIREE HEALTHCARE

Employees may be eligible to receive retiree healthcare benefits, in accordance with the San Jose Municipal Code.

The City established a qualified 115 trust ("Trust"). Employee contributions will begin going into the Trust in time to avoid any potential of reaching IRS limits on the existing medical benefits account or upon receipt of a ruling from the IRS that the contributions can be treated as pre-tax, whichever occurs first.

New employees hired into full-time benefited positions in Unit 99 on or after September 29, 2013, and who elect to join Tier 2, will not participate in or be eligible for the defined benefit retiree healthcare program. The City will pay the unfunded liability contribution that these employees and the City would have otherwise paid had they gone into the defined benefit retiree healthcare program.

The City implemented a defined contribution retiree healthcare benefit in the form of a Voluntary Employee Beneficiary Association (VEBA). The plan does not provide any defined benefit, does not obligate the City to provide any specific benefit upon member retirement, and therefore creates no unfunded liability. This agreement does not require the City to contribute any future funds to an employee's VEBA, nor does it preclude an agreement to allow future City contributions.

Tier 1 and Tier 2A employees were given the ability to make a one-time election to opt-out of the defined benefit retiree healthcare plan into the VEBA. Those members who "opted out," and thus are not covered by the City defined benefit retiree healthcare plan, were mandated to join the VEBA plan.

Upon making such an irrevocable election to opt-out of the defined benefit retiree healthcare plan, an amount estimated to equal the member's prior retiree healthcare contributions, with no interest included, was contributed by the City to the member's VEBA plan account. Tier 1 and Tier 2A employees who opted-in to the VEBA will not have any on-going contributions into the VEBA.

Tier 2B employees will not be required to join the VEBA, or make on-going contributions to the VEBA, if they promoted into Unit 99 from a bargaining unit represented position whose contract previously required on-going VEBA contributions.

Deferred-vested Tier 1 members who return to the City of San Jose will be given a one-time irrevocable option to "opt out" of the defined benefit retirement healthcare plan. The City may transfer funds from the 115 Trust to the member's VEBA plan account.

- (a) Upon choosing to "opt out," they will become a member of the VEBA and their VEBA account will be credited for their estimated prior contributions to the retiree healthcare plan, without interest.
- (b) If they choose not to "opt out," they will return to the defined benefit retirement healthcare plan.

New employees hired into Unit 99 who elect to join Tier 3 are ineligible for the retiree healthcare defined benefit program or the VEBA.

DEFERRED COMPENSATION PLAN

To supplement retirement income, employees may put aside a percentage of gross taxable income up to a maximum set by Section 457 of the IRS code and have that money placed in investments on a tax-deferred basis.

Please contact Human Resources, Deferred Compensation Division for the current maximum amount that may be deferred.

Assets under this plan are available only upon retirement, separation from City service, or death. Additional contribution options are available to employees age fifty (50) and older and those within three (3) years of retirement.

HEALTH INSURANCE¹

The City pays eighty-five percent (85%) of the cost of the lowest priced Non-Deductible HMO plan for the employee or the employee and dependent coverage and the employee pays fifteen percent (15%) of the premium for the lowest priced Non-Deductible HMO plan. If the employee selects a plan other than the lowest priced Non-Deductible HMO plan, the employee pays the difference between the total cost of the selected plan and the City's contribution toward the lowest priced Non-Deductible HMO plan.

If the employee selects a plan other than the lowest priced plan, the employee pays the difference between the total cost of the selected plan and the City's contribution towards the lowest priced plan.

An employee may not be simultaneously covered by City-provided medical benefits as a City employee, and as a dependent of another City employee or retiree.

All available plans have a four (4) tier rate structure (Employee, Employee plus spouse/domestic partner, Employee plus Child(ren), and Family).

Additional information regarding medical plans is available on the Human Resources website.

DENTAL INSURANCE¹

The City will provide dental insurance for eligible employees and their dependents in accordance with one of the two available plans. Both of these plans are described in detail in the City of San Jose Employee Benefits Handbook and in pamphlets available in the Human Resources Department.

For full-time employees, the City will pay 100% of the lowest priced plan for the employee or the employee and dependent coverage. For any other plan, the City will pay 95% for the employee or the employee and dependent coverage.

All available plans have a four (4) tier rate structure (Employee, Employee plus spouse/domestic partner, Employee plus Child(ren), and Family).

An employee may not be simultaneously covered by City-provided dental benefits as a City employee, and as a dependent of another City employee or retiree.

¹ Reimbursement/contribution is prorated for part-time employees based on hours scheduled:

- 30 – 39 hours = 75%
- 25 – 29 hours = 62.5%
- 20 – 24 hours = 50%
- Less than 20 hours = none

HEALTH AND DENTAL IN LIEU

The purpose of the payment-in-lieu of health and/or dental insurance program is to allow employees who have alternative health and/or dental insurance coverage to drop the City's insurance and receive a payment in lieu. Effective January 1, 2016, payment-in-lieu of health and/or dental insurance will have a 4-tier structure (Employee, Employee plus Spouse/Domestic Partner, Employee plus Child(ren) and Family).

Employees who qualify for and participate in the payment in-lieu of health and/or dental insurance program will receive the following per pay period:

Health Insurance Tier	Health-in-Lieu	Dental-in-Lieu
Employee	\$89.09	\$6.65
Employee plus spouse/domestic partner	\$147.87	\$13.30
Employee plus Child(ren)	\$129.39	\$11.64
Family	\$221.84	\$19.95

A City employee who receives healthcare coverage as a dependent of another City employee or retiree shall be eligible for the employee only coverage for the payment-in-lieu of health and/or dental program.

An employee may choose, during open enrollment or within thirty days of a qualifying event, to drop health and/or dental coverage and receive a payment-in-lieu. To qualify, the employee must prove acceptable alternate group coverage and work 35+ hours/week.

VISION CARE

Effective December 20, 2015, the City will contribute towards vision care benefits for eligible full-time employees up to \$16.00 per month (\$8.00 for 24 bi-weekly pay periods) or the cost of the premium, whichever is less, for coverage under a vision plan sponsored by the City. The employee shall pay the difference between the City contribution and the total premium of the vision care plan selected by the employee. All available plans will have a 4-tier structure (Employee, Employee plus Spouse/Domestic Partner, Employee plus Child(ren) and Family).

FLEXIBLE SPENDING ACCOUNTS - MEDICAL/DEPENDENT CARE

The City participates in Dependent Care Assistance and Medical Reimbursement Programs. Under these programs, employees may put aside up to \$5,000 in pre-tax income to pay for eligible dependent care and may set aside up to \$2500 in pre-tax income for eligible medical care.

LIFE INSURANCE

The City shall pay the full premium for employee coverage equal to two (2) times the employee's annual salary. Additional employee coverage equal to two (2) times the employee's annual salary, up to \$750,000 of total coverage, is available at employee cost. Coverage for spouse and/or dependent children for policies of \$5,000 or \$10,000 is available at employee cost.

*Part-time and temporary employees **are not eligible** for this benefit.*

OPTIONAL BENEFITS

Optional benefits are available for employee, spouse/domestic partner² and children at employee expense. These optional benefits currently include but are not limited to:

- Vision Insurance (effective December 20, 2015, the City will contribute up to \$16 for vision care)
- Personal Accident Insurance
- Long Term Care Insurance (Applications for LTC policies are no longer being accepted effective July 1, 2013)

Please contact Human Resources for more information.

LONG-TERM DISABILITY

Employees have the option to purchase long-term disability insurance which will subsidize their income in the event of a non-work related injury or illness. The City does not participate in the State Disability Insurance plan. Therefore, if an employee suffers a non-work related injury or illness and is unable to work, the employee would not receive any City compensation.

The City offers employees a choice of two long-term disability plans, one with a 30-day waiting period and another with a 60-day waiting period. Employees must use accrued leave balances to receive compensation during the waiting period when using the long-term disability benefit.

*Temporary employees **are not eligible** to purchase long-term disability insurance.*

EMPLOYEE ASSISTANCE PROGRAM

The City recognizes that professional counseling is an important benefit to assist employees in resolving personal and family issues which may otherwise affect the employee's job performance and well being. Through the Employee Assistance Program (EAP), licensed counselors are available to help employees resolve issues and identify strategies for coping with difficult situations.

The City will provide up to five (5) counseling sessions per incident per fiscal year at no cost to the employee.

*Part-time unbenefited and temporary employees **are not eligible** for this benefit.*

SUBSTANCE ABUSE PROGRAM

It is the policy of the City to maintain a safe, healthful and productive work environment for all employees. The City will act to eliminate any substance abuse which increases the potential for accidents, absenteeism, substandard performance, poor employee morale or tends to undermine public confidence in the City's workforce.

The Substance Abuse Policy prohibits employees from reporting to work under the influence of alcohol or drugs, exhibiting symptoms of alcohol or drug use, using, possessing, selling or providing drugs or alcohol while on duty, and employees shall not have the ability to work or be on paid standby when impaired as a result of the use of alcohol or drugs. Additionally, employees are required to notify their supervisor when any medication or drug they are taking could create an unsafe and dangerous situation. Employees may be requested to submit to a drug and/or alcohol analysis when there is reasonable suspicion that an employee is intoxicated or under the influence of drugs or alcohol.

² A domestic partner, as referenced in sections above, must be the domestic partner registered with the Human Resources Department.

The City offers self-referral and rehabilitation/treatment options for employees that may be experiencing a problem with alcohol and/or drug use. The City pays 70% of a first occurrence rehabilitation program and the employee pays 30% as approved by the Employee Assistance Program (EAP).

Please refer to CPM Section 1.4.2 for the complete policy.

*The Substance Abuse Policy applies to all employees; however, part-time and temporary employees are **not eligible** for the Employee Assistance Program benefit.*

HOLIDAYS¹

Full-time employees who are on paid status before and after the holidays specified below shall be eligible to receive holiday leave on each of the following fourteen (14) paid holidays:

New Years Day	Columbus Day
Martin Luther King Day	Veterans Day
Presidents' Day	Thanksgiving Day
Cesar Chavez Day	Day After Thanksgiving
Memorial Day	Christmas Eve Day
Independence Day	Christmas Day
Labor Day	New Years Eve Day

VACATION

Vacation accrues at the following rates for each paid hour (either worked or paid absence):

Years of Service	Annual Hourly Accrual (Full Time)
1 – 5	120 hours
6 – 14	160 hours
15+	200 hours

Employees may only accrue vacation up to a maximum of two (2) times their annual accrual rate. Once an employee reaches their maximum accrued vacation limit, the employee will not accrue vacation until their vacation balance falls below the maximum limit.

Years of Service	Maximum Accrued Vacation
1 – 5	240 hours
6 – 14	320 hours
15+	400 hours

Beginning calendar year 2019, employees may sell back up to a maximum of sixty (60) hours of accrued vacation per calendar year.

¹ Reimbursement/contribution is prorated for part-time employees based on hours scheduled:

- 30 – 39 hours = 75%
- 25 – 29 hours = 62.5%
- 20 – 24 hours = 50%
- Less than 20 hours = none

Internal Revenue Service (IRS) regulations require the City to report and withhold taxes on the value of the vacation time an employee is eligible to sell back. In order to ensure compliance with the IRS requirements and to avoid unanticipated tax consequences:

- Employees must elect the number of vacation hours they will sell back during a calendar year, up to the maximum of sixty (60) hours, by the end of November of the prior year. If an employee does not submit an irrevocable election form to Payroll on or before the end of November, the employee will not be eligible to sell back any vacation hours during the next calendar year.
- The election to sell back vacation hours in any year is irrevocable. This means that employees must sell back the elected number of accrued vacation hours during that year. If the accrued vacation hours are not sold back within the designated calendar year the employee will be deemed to have received the value of the vacation hours elected in that calendar year and will be taxed by the IRS accordingly.
- Employees can elect to sell back only vacation hours accrued during any given year, and any vacation hours accrued and carried over prior to that year are not eligible for sell back during that year.
- Any vacation hours accrued during that year will not be available for use until the employee's accrued vacation hours in that year equal the number of hours the employee has elected to sell back. Those vacation hours accrued in the given year over the number of hours the employee elected to sell back in the given year will be available for use by the employee. This means that hours elected for sell back may only be used for sell back purposes and cannot be used for vacation time off purposes.

Employees may use any vacation hours accrued and carried over prior to the given year, subject to the normal rules of requesting use of vacation.

VACATION ACCRUAL GUIDELINES FOR PRIOR PUBLIC SERVICE

The City Manager or designee is authorized to adjust the annual vacation accrual of an employee in Unit 99, hired on or after June 13, 2013, for the purpose of hiring or re-hiring that employee into City service. This action allows hiring managers to place new or rehired employees with prior public service credit at a vacation accrual rate commensurate with their total years of public service with the approval of the City Manager or designee.

Process/Guidelines

An employee's vacation accrual may be adjusted upon first hire or rehire date to provide the employee with credit for previous public service upon the approval of the City Manager or designee.

1. Credit for public service shall only be given for completed years of service as a full-time benefitted employee.
 - a) If an individual worked at a public service agency on a part-time benefitted basis, completed years will be based on the completion of 2,080 hours.
 - b) For example, if an employee has previously worked six (6) complete years in another public agency or a combination of public service and service with the City of San Jose, the City Manager or designee may authorize the employee to accrue vacation at the 6-14 annual hourly rate, which is 160 hours per year. The below table illustrates the Unit 99 vacation annual hourly accrual rates by years of service:

Years of Service	Annual Hourly Accrual (Full Time)
1 – 5	120 hours
6 – 14	160 hours
15+	200 hours

- c) Vacation accrual caps shall apply to the designated annual hourly accrual rate.
2. Public service credit shall not apply to any other benefits.
3. The employee has the responsibility to prove certification of previous public service from the employee's previous employer(s), if so requested.
 - a) A public service agency may be defined as a(n) International Federal, State, City, County, Special District, or other publicly funded agency that provides programs, goods, or services. A public agency is not defined as a not-for-profit organization or non-governmental organization that relies on donations and volunteers to operate.

EXECUTIVE LEAVE¹

Executive leave is a benefit awarded as hours/days off, up to a maximum of forty (40) hours/ five (5) days during a payroll calendar year. Executive leave is not an accrued benefit and unused leave does not carry over from year to year.

The Management Performance Program (MPP) provides that employees may receive up to forty (40) hours of additional executive leave.

When an employee is hired into a position eligible for executive leave, the leave may be prorated during the first year dependent upon the hire date.

Please refer to CPM Sections 4.2.4 and 3.3.2 for complete policy guidelines.

SICK LEAVE

Paid sick leave accrues at a rate of .04616 for each paid hour (either worked or paid absence). For a full-time employee, this equals approximately one (1) day per month. Accrued sick leave may be used for the care related to the illness or injury of employee's child, mother, father, spouse, or domestic partner.²

Up to a total of forty-eight (48) hours of accrued sick leave per calendar year may be utilized if the employee is required to be absent for the care related to the illness or injury of the employee's grandparent, grandchild, brother, sister, father-in-law, mother-in-law, step-father, step-mother, or step-child.

¹ Reimbursement/contribution is prorated for part-time employees based on hours scheduled:

- 30 – 39 hours = 75%
- 25 – 29 hours = 62.5%
- 20 – 24 hours = 50%
- Less than 20 hours = none

² A domestic partner, as referenced in sections above, must be the domestic partner registered with the Human Resources Department.

SICK LEAVE PAYOUT

Members of the Federated Retirement System hired on or before September 29, 2012, and who retire with at least fifteen (15) years of service are eligible to receive, upon retirement, payout for a portion of their unused earned sick leave at the rate described below:

Accrued Sick Leave Hours	Sick Leave Payout
0 – 399 Hours	50% of final hourly rate
400 – 799 Hours	60% of final hourly rate
800 – 1,200 Hours	75% of final hourly rate

Effective June 22, 2013, for purposes of sick leave payout, an employee's sick leave balance and hourly rate shall be frozen. This means that an employee will receive no more in sick leave payout after having met the requirements contained herein than they would have been entitled to on June 22, 2013. Any sick leave usage after June 22, 2013, will come first from the sick leave balance accrued after June 22, 2013. An employee will continue to accrue sick leave after June 22, 2013, but it may not be used for sick leave payout purposes.

- For example, if an employee's hourly rate is \$40 and their sick leave balance is 1,000 hours on June 22, 2013, if they meet eligibility requirements, they shall receive payout of their sick leave balance at the time of retirement using the formula above, but no more than 1,000 hours and at an hourly rate of no more than \$40. This will occur even if the employee has subsequently earned more than 1,000 hours in sick leave or received a pay increase so that their hourly rate is higher than \$40. In this example, if the employee does not have available sick leave to use that was accrued after June 22, 2013, and uses sick leave and reduces their sick leave balance on June 22, 2013, to 800 hours, they will only be entitled to a sick leave payout of 800 hours, regardless of any sick leave accrued after June 22, 2013. This means that if sick leave payout hours are reduced by usage, they are not able to be reestablished in the sick leave balance subject to payout.

Employees hired on or after September 30, 2012, shall not be eligible for any sick leave payout.

Part-time and temporary employees are not eligible for this benefit.

MILITARY LEAVE

Persons employed by the City engaging in active military duty for training or other purposes may be provided paid military leave for up to thirty (30) calendar days per fiscal year. In addition, under certain circumstances the City may provide Supplemental Salary and benefits for eligible employees. Please refer to CPM Section 4.2.2 for additional information.

DISABILITY LEAVE

Employees will be allowed to integrate accrued vacation and accrued sick leave once vacation has been exhausted. No employee shall receive an amount, including any temporary disability payments, in excess of their regular salary.

MODIFIED DUTY

Employees shall be voluntarily separated from City service if the City offers the employee temporary modified duty at identical or similar rate of pay, within the employee's medical limitations, and the employee refuses or fails to accept duty for which he or she is physically qualified. Any such separations will comply with applicable laws.

LEAVES OF ABSENCE

Unpaid leaves of absence may be granted for up to twelve (12) months, with possible extension of up to six (6) months. (Employees on unpaid leave may continue their insurance benefits by paying full premiums.) Please refer to CPM Section 4.2.1 for program details.

BEREAVEMENT LEAVE

Each full-time or benefited part-time employee shall be granted bereavement leave with full pay for up to forty (40) hours to attend to the customary obligations arising from the death of any of the following relatives of such employee or employee's spouse or employee's domestic partner.²

All leave must be used within fourteen (14) calendar days following the death of an eligible person. Under extreme circumstances, the fourteen (14) day requirement may be waived by the Director of Employee Relations. The decision of the Director of Employee Relations shall be final with no process for further appeal.

- Parent/Step parent
- Spouse/Domestic partner²
- Child/Step child
- Brother/Sister
- Step Brother/Step Sister
- Half Brother/Half Sister
- Grandparent/Step-grandparent
- Grandchild
- Great grandparent
- Son/daughter in-law
- Brother/sister in-law

JURY DUTY LEAVE

Each full-time employee, or each part-time employee who is eligible for benefits, who is required to take time off from duty to serve as a juror in any Court of this State, or of the United States of America, shall receive the regular base compensation less all jury fees received, excluding mileage. Each employee receiving a notice to report for jury service shall immediately notify the immediate supervisor.

TIME DONATION PROGRAMS

The City has Time Donation Programs, which allow employees to donate accrued vacation to fellow employees under special circumstances. An employee must meet the criteria established under the Time Donation Policy to receive time donations. Please refer to CPM Section 4.2.10 for additional information.

SPECIAL PREMIUM PAYS

At the City Manager's discretion, special premium pays may be given to those employees in the classifications of Police Chief, Assistant Police Chief, Fire Chief, Assistant Fire Chief and/or Deputy Fire Chief. The City Manager may tender special premium pays either as separate special pays or roll them into the base pay for employees in these classifications.

² A domestic partner, as referenced in sections above, must be the domestic partner registered with the Human Resources Department.