



City of Covina
Executive Compensation Rules
Effective July 1, 2013

Executive Compensation Rules (2013 Version)

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This document establishes the salary and benefits, authorized by the City Council of the City of Covina. This action supersedes any prior resolution or action taken with respect to the classifications listed below. These rules will remain in effect until such time as they are amended by the City Council or superseded by higher governmental authority.

Assistant City Manager
Assistant Director of Public Works
Assistant to the City Manager
Chief Deputy City Clerk
Chief of Police
Director of Finance
Director of Human Resources
Director of Library Services
Director of Parks & Recreation
Director of Public Works
Finance Manager

SECTION 1. POSITION CLASSIFICATION SPECIFICATIONS

The City Manager shall have prepared for public record the classification specifications of all positions covered herein. He/she may authorize the modification of such position classification specifications as deemed necessary or otherwise appropriate to effect staff assignment or organizational changes.

SECTION 2. AUTHORIZED SALARY RANGES & ADVANCEMENT

- A. Base Salary Ranges See Exhibit A.
- B. Salary Advancement Unless otherwise authorized by the City Manager in writing, all employees covered by these provisions may advance through the base monthly pay steps, "A" through "E," subject to the following:

- | | | |
|----------|---|---|
| Pay Step | A | Upon initial employment. |
| | B | Upon twelve (12) months of successful completion of paid service at Step "A." |
| | C | Upon twelve (12) months of successful completion of paid service at Step "B." |
| | D | Upon twelve (12) months of successful completion of paid service at Step "C." |

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F. Effective upon the approval by PERS of a contract amendment implementing Section 12(D)(3) below, all classifications covered by these Rules shall receive a 3% in their current base salary.

SECTION 3. HOURS OF WORK

Executive personnel have no minimum or maximum hours of work. The quality of their work product is expected to pass a continuous close scrutiny of the City Manager.

It is understood that the average workweek must be forty (40) hours with a significant majority of the time worked being done Monday through Thursday. Unless otherwise approved by the City Manager, executive management employees will work the same 4/10 schedule as City Hall staff. The City Manager or his/her designee has the option to set schedules and approve all leaves of absence.

SECTION 4. ADMINISTRATIVE LEAVE

In recognition that the executive employees are not entitled to receive overtime compensation despite devoting hours beyond the normal workweek, employees may be allowed to take administrative leave upon approval of the City Manager.

All executive employees will be advanced seventy-two (72) hours of paid administrative leave as of January 1 of each calendar year. The earning of this administrative leave will be at the rate of 6 hours per month. An employee terminating prior to a complete calendar year and having utilized leave not yet earned will be subject to a dollar value deduction from her or her final paycheck. There shall be no carryover or payoff of unused administrative leave.

In partial recognition of prolonged, uncommon, or exceptional hours of work beyond the standard work expectations for exempt executive staff, the City Manager may, at his/her discretion, adjust employees work hours and allow exempt executive employees to take time off without using administrative leave.

SECTION 5. HOLIDAYS

A. Fixed Holidays

The following schedule of holidays shall be observed and the employees shall receive the following days off with pay:

- | | |
|--------------------------------|------------------------------|
| 1. New Year's Day | 6. Labor Day |
| 2. Martin Luther King, Jr. Day | 7. Veteran's Day |
| 3. President's Day | 8. Thanksgiving |
| 4. Memorial Day | 9. Friday after Thanksgiving |
| 5. Independence Day | 10. Christmas Day |

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- B. Fixed Holidays Falling On A Weekend
1. When a holiday falls on a scheduled workday, the holiday will be observed on that day.
 2. When a holiday falls on a Friday, when City Hall is regularly closed, or on a Saturday following a Friday closure, then a floating holiday will be granted the employee.
 3. When a holiday falls on a Saturday, following a Friday that is a scheduled workday, the holiday will be observed on that Friday.
 4. When a holiday falls on a Sunday, the holiday will be observed on the following Monday.
- C. Floating Holidays Executive employees working a 4/10 schedule will be granted three (3) floating holidays. There will be no carryover or payoff of floating holidays. Use of floating holidays is subject to approval of the City Manager or his/her designee.
- D. Holiday Furlough The City reserves the right to close non-essential, non-safety facilities between Christmas and the New Year's holidays. Employees may use vacation, floating holidays or administrative leave during this furlough.
- E. Me-too Provision Should Floating Holidays change for any other bargaining group, the City Manager may assign the same Floating Holidays to the Executive Compensation Rules.

SECTION 6. SICK LEAVE

- A. Earning and Accumulation Unless otherwise authorized by the City Manager in an employment agreement for a director level position, Executive employees shall receive ten (10) hours of paid sick leave per month subject to the following conditions:
1. Employees of record as of February 29, 1988 shall have unlimited accumulation. This section shall also apply to employees originally hired prior to February 29, 1988, and promoted from bargaining units with no sick leave accumulation cap.
 2. Employees hired or promoted from bargaining units with a sick leave accumulation cap as of or after March 1, 1988 shall be subject to an accumulation limit of 960 hours. Thereafter, all accrual shall cease until the employee's usage causes the balance to fall below 960 hours.

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B. Payoff of Accumulated Sick Leave Upon Termination

Employees shall be compensated for 55% of his/her accumulated sick leave up to the maximums outlined below. Computation shall be at base rate of pay. Payment shall be for non-disciplinary termination only.

1. Employees of record as of February 29, 1988 upon termination shall be compensated for up to 1600 hours of accumulated sick leave. Any unused balance of paid sick leave may be applied to the calculation or retirement credit as applicable.

This section shall also apply to those employees originally hired prior to March 1, 1988 and promoted from bargaining units with no sick leave accumulation limits.

2. Employees hired or promoted from bargaining units with a sick leave cap on or after March 1, 1988, upon termination shall be compensated for up to 960 hours of accumulated sick. Any unused balance of paid sick leave may be applied to the calculation or retirement credit as applicable.

C. Use of Sick Leave

Sick leave shall be deducted from an employee's accrued leave balance on an hour for hour basis for the following purposes:

1. In the case of the employee's injury, illness or disability.
2. In the case of the employee's need to receive medical or dental examination, treatment or preventative care from a licensed health care practitioner.
3. In the case where an employee needs to be absent to provide temporary assistance, due to illness or injury, or the need for medical or dental examination, treatment or preventative care from a licensed health care practitioner, for members of the employee's immediate family. Immediate family shall include an employee's spouse, domestic partner, children, grandchildren, sons-in-law, daughters-in-law, parents, grandparents, parents-in-law, brothers, sisters, brothers-in-law, and sisters-in-law. "Children" shall include a biological, foster, or adopted child, a stepchild, a legal ward, a child of a domestic partner, or a child of a person standing in loco parentis. "Parent" shall include a biological, foster, or adoptive parent, a stepparent, or a legal guardian requiring the care and attention of the employee.
4. From accrued sick leave available, an employee may be granted (on each separate occasion) up to three (3) days bereavement leave with pay in the event of death to a member of the employee's immediate family. Should

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another bargaining group be granted any change to bereavement leave, the Executive Compensation Rules will be afforded the same change. For purposes of this section an employee’s immediate family shall include: an employee’s spouse, domestic partner, children, grandchildren, sons-in-law, daughters-in-law, parents, grandparents, parents-in-law, brothers, sisters, brothers-in-law, and sisters-in-law. “Children” shall also include a biological, foster, or adopted child, a stepchild, a legal ward, a child of a domestic partner, or a child of a person standing in loco parentis. “Parent” shall include a biological, foster, or adoptive parent, a stepparent, or a legal guardian and significant others. An additional two (2) days leave may be granted by the department head if the funeral location is five hundred (500) miles or more (one way) away from the City of Covina.

- 5. A physician’s certificate attesting to the nature of the illness, injury and/or treatment may be required prior to granting paid sick leave.
- 6. An employee who is granted sick leave for personal illness/disability or family illness/disability shall be required to be available at his/her residence or that of an immediate family member for telephone or personal contact from the City during the employee’s normal working hours. Exceptions to this requirement shall be authorized for seeking and receiving medical treatment.

SECTION 7. VACATION LEAVE

A. Vacation Earning Rate Unless otherwise authorized by the City Manager in an employment agreement for a director level position, upon completion of the specified year of service employees shall accrue vacation as follows:

<u>Years of Service</u>	<u>Monthly Accrual</u>	<u>Annual Total</u>
Up to completion of 5 years	Accrued at 9 hours per month	108 hours
Beginning of the 6 th year through 10 years	Accrued at 13.67 hours per month	164 hours
Beginning of the 11 th year through 15 years	Accrued at 16.00 hours per month	192 hours
Beginning of the 16 th year through 20 years	Accrued at 17.33 hours per month	208 hours
Beginning of the 21 st year	Accrued at 18.67 hours per month	224 hours

Vacation usage shall be charged hour for regularly scheduled hour.

B. Accumulation Limitation Accumulation of earned vacation shall be allowed up to an amount equal to twice (2x) the current annual earning allowance of vacation for that particular employee.

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If the employee fails to utilize earned vacation over this limitation amount, then the result will be as follows:

1. If the failure to use the vacation over the maximum allowed for accumulation was due to the City canceling or refusing (in writing), the employee a reasonable opportunity to schedule and utilize the vacation time necessary to stay within the accumulation limitation, then the City will compensate the employee for all of said time at the straight time (1x) value of the time to bring the accumulation level to the specified maximum.
2. If written consent of the City Manager is received prior to July 31 of each year, the City will compensate the employee for all or a portion of said accumulation overage at the straight time (1x) value of the time to bring the accumulation level to the specified maximum. The City Manager may approve payment of all, a portion of or none of said overage depending upon available funds and anticipated workload of the individual employee as determined by the City.
3. If the first two conditions above have not been satisfied, the accrual of excess vacation time may be suspended until the leave balance is brought within the cap amount.

C. Pay Off Prior to Termination With written consent of the City Manager, an employee may sell back to the City any of his or her accumulated vacation at the employee's straight time (1x) rate of base pay. The City Manager may approve payment of all, a portion of or none of said request depending upon available funds and anticipated workload of the individual employee as determined by the City.

D. Pay Off Accumulated Vacation Upon Termination of Employment For those employees who leave City service and have an accumulation of earned vacation leave credit within the accumulation maximum, they will be compensated in straight time base pay equal to the employee's then current pay level.

SECTION 8. INDUSTRIAL LEAVE/WORKERS' COMPENSATION

The City shall provide Workers' Compensation benefits in accordance with State Law and these provisions.

The City has the right to require the employee to go to a City selected physician or physicians initially or to verify that the disability restricts the employee from performing his or her regular job assignment. It is also understood that the employee receiving this benefit will not be employed elsewhere for paid compensation.

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- A. Non-Sworn Employees If an employee not subject to California Labor Code Section 4850 sustains a work-related injury or illness on-the-job and such injury or illness is recognized as qualifying for coverage by the self-insurance administrators, the employee shall be eligible to receive full base salary continuation for the initial period up to forty-five (45) calendar days or until the employee returns to work, whichever is earlier. In addition, the City will maintain its contribution to benefits as provided for herein (retirement, health, dental, life and LTD insurance). This provision shall apply only up through the first forty-five (45) calendar days of absence from work for each separate injury or illness, including aggravations thereof.

During this initial forty-five-day period, vacation, sick, and other leaves shall not be deducted from the absent employee's accruals. Vacation and sick leave shall also continue to accrue during this time. In order for the employee to receive the above pay and benefit continuation, he or she must remit all Workers' Compensation temporary disability checks to the City of Covina.

At the end of the aforementioned forty-five-day period, and provided that it is available, sick leave shall be used to augment Workers' Compensation benefits so that the employee may receive up to full base salary during the disability. Sick leave shall be charged at a rate proportionate to the percentage of said employee's salary not covered by Workers' Compensation. As long as an employee is utilizing sick leave to insure full base salary, his or her City paid benefit contributions (as provided for herein) shall be continued. At no time shall an employee receive in excess of his or her regular salary and benefits. Furthermore, employees shall not receive merit salary increases nor accrue additional vacation, sick leave, floating holidays or any other leaves after the initial forty-five (45) calendar day period until he or she returns to regular duty.

Upon depletion of accumulated sick leave, the City shall discontinue all non-health City paid benefits and supplement to Workers' Compensation payments. At this time, the employee is subject to Long Term Disability insurance benefits (claims shall be submitted to the carrier in accordance with said policy).

With regards to the payment of health insurance benefits after depletion of sick leave, the City and employee will continue to contribute the amounts enumerated by this resolution towards the available plans. Said contribution shall continue until the earlier of: 1) the date that the employee returns to regular work; 2) the date that the employee is declared permanent and stationary; 3) the date that employee retires; or 4) 365 calendar days from the date of original injury (intermittent periods of disability from work relating to aggravations of the same injury or illness shall be cumulative for the purposes of calculating this 365 day period).

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Subject employees may maintain dental insurance at their own cost in accordance with Federal or State Law (COBRA continuation coverage). The subject employee is responsible for coordinating said coverage with the Human Resources Department.

- B. Sworn Employees Base salary and benefit continuance for sworn employees (Chief of Police) shall be in accordance with California Labor Code Section 4850.

SECTION 9. MATERNITY LEAVE AND FAMILY CARE AND MEDICAL LEAVE

Employees shall be granted unpaid maternity, family care and medical leave in accordance with federal and state law and City policy.

SECTION 10. LEAVE OF ABSENCE WITHOUT PAY

Employees covered by this resolution may apply in writing to the City Manager for a leave of absence without pay. If the City Manager determines there is adequate justification to grant such a leave of absence and that the work of the department will not be significantly impacted by a temporary absence of the employee, the leave without pay may be authorized. The City Manager's decision is final. The City Manager may also terminate or cancel early any authorized leave by giving the employee notice of 10 calendar days. Notice will be given via certified mail sent to the employee's last known address and commencing from the postmarked date.

During the period of authorized leave of absence without pay, the employee will not be entitled to any City paid fringe benefits nor will they accrue leave.

SECTION 11. JURY DUTY AND JOB RELATED COURT APPEARANCE

- A. Routine Jury Service Every employee who is called or required to serve as a juror shall be entitled to absent him/herself from his/her duties during the period of such service while necessarily being present in court as a result of such a call. Employees shall be granted leave with pay for fifteen days of jury duty service annually. Leave without pay will be granted to any employee who is required to server over 15 days on jury duty. The employee may also seek approval of use of his or her earned vacation, administrative leave, or floating holiday time to cover the required time off.
- B. Non-Job Related Court Appearances In the case where an action does not pertain to a job-related matter, leave without pay shall be granted for an appearance before a court, legislative committee, judicial or quasi-judicial body as a witness in response to a subpoena or other order by proper authority compelling

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his or her attendance under penalty described by law. The employee may also seek approval of use of his or her earned vacation, administrative leave, or floating holiday time to cover the required time off.

- C. Job Related Court Appearance In the case where an action is job-related, upon review and approval of the appropriate authority the time required will not be subject to any need for leave, and the employee will be considered on-duty.

SECTION 12. OTHER EMPLOYEE BENEFITS

A. Health, Optional & Life Insurance/Benefits

1. *Health* The City shall contribute the required minimum contribution, per employee, under PEHMCA, for so long as the City is enrolled in the PERS Health Plan. Every full-time active employee must be covered by health care plan approved by the City.
2. *Optional Benefits* Effective December 1, 2013, the City shall contribute \$960.00 per month per eligible employee toward optional benefits plan. The employee may receive this amount in cash or may elect to use it for coverage for him/herself or his/her dependents for City approved benefit options, including but not limited to, dental insurance, supplemental life insurance, optical insurance, or deferred compensation plan. Employees opting out of the Optional Benefits will receive no more than \$750.00, which can be used for deferred compensation or as taxable income. New employees hired who opt out shall be capped at \$300. Should another bargaining group receive a lower cap; the Executive group will realize the same change.
3. *Life Insurance* The City shall provide a \$100,000 Term Life Insurance policy for all Executive Management personnel.

- B. Long Term Disability Insurance Employees covered by this resolution are provided with a long term disability insurance program consisting of two-thirds compensation of base pay up to \$9,000 per month, after a thirty (30) day waiting period or whenever the employee's accumulated sick leave has expired, whichever comes last. The City pays all costs.

- C. Public Officials Errors and Omissions Insurance Employees covered by these compensation rules shall be covered by a Public Officials Errors and Omissions insurance policy. The City will pay for the premium for the policy.

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D. Retirement

1. Miscellaneous Employees

Effective March 16, 2010, the present contract with Public Employees' Retirement System, 2.5% per year at age 55 (§21354) with the following additions:

One-half pay continuance (§21628)

1959 Survivors Benefit (§21573)

- Employee Contributes \$2.00 per month
- Level IV Survivor Benefits.

One year final compensation (§20042)

Employees covered by these Rules shall receive the opportunity to buy military service credit for retirement purposes (§21024)

Unused sick leave credit (§20965).

Retired Employee Death Benefit of \$600 (§21622)

2. Safety Employees (Chief of Police)

Present contract with Public Employees' Retirement System, 3% per year at age 50 (§21362.2) with the following additions:

One-half Pay Continuance (§21628)

1959 Survivors Benefit (§21573)

- Employee Contributes \$2.00 per month
- Level IV Survivor Benefits.

One year final compensation (§20042)

Employees covered by these Rules shall receive the opportunity to buy military service credit for retirement purposes (§21024)

Unused sick leave credit (§20965) for those employees hired on or before February 29, 1988.

Retired Employee Death Benefit of \$600 (§21622)

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3. *Contributions to PERS*

Upon the effective date of approval by PERS of a contract amendment implementing these changes, Executive Department Heads, the Chief of Police and City Manager shall contribute the following additional amounts to their PERS retirement:

- A. An additional 3% contribution beginning on the date that PERS approves a contract amendment implementing these changes;
 - B. An additional 1% contribution beginning July 1, 2014;
 - C. An additional 1% contribution beginning on July 1, 2015; and
- In no event shall any Executive Department Head, the Chief of Police or City Manager contribute more than 12%.

- E. Supplemental Retiree Benefits Effective December 31, 1996, the City shall contribute \$472.00 per month per *eligible retiree* toward optional benefit plan until the beginning of the month the retiree reaches Medicare eligibility age. Each *eligible retiree* may receive this amount in cash or may elect or use it for coverage for him/herself for city-approved benefit options. Upon reach Medicare eligibility age, an eligible retiree shall receive \$34.00 per month toward optional benefits. Any monies received in cash will be considered as taxable income.

Eligible retiree means any person who meets the retirement eligibility standards of the Public Employee's Retirement System (PERS) and either was a current full time employee on December 31, 1996, or is a person who has ten (10) years of uninterrupted service as a full time employee with the City of Covina subsequent to December 31, 1996. Additionally, the City Manager may authorize an employee who meets the retirements criteria established by PERS to be an eligible retiree; such authorization must be done in writing. An employee retiring due to job-related disabilities shall be entitled to supplemental retiree benefits.

- F. Uniform Allowance The Chief of Police shall receive a uniform allowance. It shall be the same provided to the Police Association of Covina.

- G. Auto Usage It is understood that this authorization is at the discretion of the City Manager. He/she shall consider the City costs involved, the availability of vehicles, and the potential of the executive employee being called our on emergencies on behalf of the City.

- 1. The City Manager may authorize the Chief of Police to utilize an assigned City vehicle for commuting to and from his/her home and work.
- 2. An employee in a position not receiving an auto allowance who occasionally uses his/her private vehicle to perform official City business will be compensated at the current IRS rate per mile.

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3. Employees desiring to use their personal vehicles on authorized City business must provide the City's Risk Management office with evidence of personal automobile insurance coverage in such minimum limits as required by the State of California. Such evidence could include a letter from an employee's insurance agent or company, or copy of such insurance policy face sheets identifying names, coverage dates, limits and vehicle's coverage.
- H. Education Incentive Executive personnel who have earned a job related advanced degree from an accredited college or university may receive an additional 2% of base salary with the approval of the City Manager and a current satisfactory evaluation on file.

SECTION 13. EXCLUSIONS

The positions of Assistant City Manager, Assistant to the City Manager, Director of Human Resources, Public Works Manager, and all executive management personnel hired or promoted after January 1, 2002, will be part of the non-competitive service of the City and will be exempt from the provisions of the Personnel System in the Covina Municipal Code and the City of Covina Personnel Rules and Regulations. As "at-will" employees, these individuals are excluded from probationary periods and the ability to obtain regular status. Employees in these classifications are excluded from the agency's civil service rules. These employees serve "at-will," i.e., at the pleasure of the appointing authority. The employment relationship between the City of Covina and its at-will employees is at the mutual consent of both parties. Either the employee or the City of Covina can terminate the employment relationship at-will, at any time, with or without cause or advance notice. The employer need not state reasons for release of such employees, and such employees have no right or expectation to receive any pre-release or post-release proceeding, hearing or appeal, nor are they eligible for severance pay. Employees hired or promoted after January 1, 2002, in the classifications covered under the Executive Compensation Rules have no right to return to employment in a former position or right to employment in any other position within the agency.