

RESOLUTION NO. 9924

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FOUNTAIN VALLEY RELATING TO THE CLASSIFICATION, COMPENSATION, AND TERMS AND CONDITIONS OF EMPLOYMENT OF ADMINISTRATIVE OFFICERS OF THE CITY, AND SUPERSEDING ALL PROVISIONS CONTAINED IN RESOLUTION NOS. 9801, 9849, AND 9866 WHICH PERTAIN TO ADMINISTRATIVE OFFICERS.

WHEREAS, The City of Fountain Valley has non-represented Administrative Officers also referred to as Department Directors; and

WHEREAS, the City desires to include in one comprehensive document the current benefits and terms and conditions of employment for Administrative Officers; and

WHEREAS, the City has reached agreements with all represented bargaining groups which included changes to the existing salaries and benefits for represented employees; and

WHEREAS, the City intends to make changes to the existing salaries and benefits for Administrative Officers.

NOW, THEREFORE, the City Council of the City of Fountain Valley does hereby resolve as follows:

SECTION 1. This Resolution shall supersede all provisions contained in Resolution Nos. 9801, 9849, and 9866 which pertain to Administrative Officers.

SECTION 2. The classification, compensation, and terms of employment for Professional and Technical employees, un-represented Professional and Technical employees, General Unit, Field Services Unit, sworn non- management Fire personnel, sworn management Fire personnel, sworn Police personnel, and sworn management Police personnel and the City Manager are set forth by separate

Resolutions of the City Council and the provisions herein set forth shall not apply to those employees.

SECTION 3 - DESIGNATED CLASSIFICATIONS.

The following is a listing of classifications designated as Administrative Officers:

Chief of Police
Fire Chief
Community Services Director
Deputy City Manager
Finance Director
Human Resources Director
Information Technology Director
Community Development Director
Community Development Director/Deputy City Manager
Director of Public Works

SECTION 4 - COMPENSATION.

A. The schedule of base salary rates for Administrative Officers shall adjust accordingly:

- 4% COLA effective pay period ending 7/5/24
- 4% COLA effective pay period ending 7/4/25
- 4% COLA effective pay period ending 7/3/26

B. **Matching Deferred Compensation Contribution:** The City will match up to \$250 per month into each employee's 457 deferred compensation or 401a account for each Administrative Officer who contributes \$250 per month or more into the City's 457 deferred compensation or 401a plan.

- a. Effective the pay period including July 1, 2024, the City will contribute an additional \$250 per month (\$3,000) per year into non-safety Administrative Officers' 457 or 401a account.
- b. Effective in the pay period including July 1, 2024, the City will contribute an additional \$167 per month (\$2,000) per year into the Chief of Police's and Fire Chief's 457 or 401a account.

C. Bilingual Pay:

Bilingual Pay is defined as compensation to employees who are routinely and consistently assigned to a position requiring communication skills in languages other than English. This is designated by CCR 571 (a) as special assignment pay.

An employee shall receive a Bilingual Premium of \$75 per month if the following conditions are met:

- a. An employee is required to speak in Spanish, Vietnamese, or other eligible language as part of the regular duties of his/her position. The Human Resources Director or his/her designee shall determine which languages will be eligible for bilingual pay based on the needs of the community.
- b. The employee must successfully pass a proficiency test to certify that they are proficient in speaking and/or writing in Spanish, Vietnamese or other eligible language.

SECTION 5 - PAY FOR PERFORMANCE PLAN. The Pay for Performance Plan for eligible Administrative Officers shall consist of the following:

- A. Five (5) step salary ranges for each position shall be established at 5% between each step. Placement within the range would be based on current salary plus existing adjustments.
- B. At the time of employment, the employee shall have a salary anniversary date established. The date shall be the first day of the pay period which is one year from the employee's date of employment.
- C. Upon promotion into a classification different than the one an employee is occupying, a new salary anniversary date shall be established, which shall be twelve (12) months from the effective date of the promotion.

- D. Employees shall be eligible for subsequent merit (step) increases annually on the first day of the pay period following their anniversary date until they reach the fifth step.
- E. At least one month prior to his/her salary anniversary date, the employee shall submit a memo to his/her Supervisor detailing his/her accomplishments during the rating period. The Supervisor shall then complete a Management Performance Evaluation.
- F. Merit (step) increases will be based on the employee's Management Performance Evaluation. The employee must receive an overall performance evaluation rating of "Meets Expectations" or "Exceeds Expectations" to be eligible for a merit (step) increase to the next step within the salary range. An overall performance evaluation rating of "Needs Improvement" will not result in a merit (step) increase.

SECTION 6 - FAIR LABOR STANDARDS ACT EXEMPTION. Pursuant to the Fair

Labor Standards Act, the City hereby determines that Administrative Officers are exempt from both minimum wage and overtime provisions under the Executive Exemption.

The Fire Chief, in consideration for call outs, will receive a bank of 20 hours of compensatory leave time. The City Manager shall have sole discretion to issue additional compensatory leave time as needed or warranted.

SECTION 7 - UNIFORM ALLOWANCE. The uniform allowance is defined as compensation paid for the purchase and maintenance of required clothing, including clothing made from specially designed protective fabrics, which is a ready substitute for personal attire the employee would otherwise have to acquire and maintain. This excludes items that are solely for personal health and safety such as protective vests, pistols, bullets and safety shoes. Designated by CCR 571 (a) as statutory items.

- A. Chief of Police. The City shall provide the Chief of Police with a uniform allowance in the amount of \$2,200.00 per year and the allowance will be paid (as earned) in equal installments each pay period over the course of the calendar

year.

(Effective: 10/5/99; Revised 11/16/10, 2/16/19, 9/1/2020, 7/01/2024)

B. Fire Chief. The City shall provide the Fire Chief with a uniform allowance in the amount of \$2000.00 per year and the allowance will be paid (as earned) in equal installments each pay period over the course of the calendar year.

(Effective: 10/5/99; Revised 2/16/91, 9/11/2020, 7/9/2021, 07/01/2024)

SECTION 8 - RETIREMENT. Administrative Officers shall be enrolled as members in the California Public Employees' Retirement System (CalPERS) and are subject to all applicable provisions of the City's contract with CalPERS.

A. Non-Safety Administrative Officers Initially Hired August 15, 2010 and Earlier. Non- Safety Administrative Officers whose hire date as a full-time employee is effective August 15, 2010 and earlier will be covered under the 2.5% at 55 formula with the benefits specified below.

Provision	Government Code Section
2.5% at 55 formula	21354.4
One Year Final Compensation (Single Highest Year)	20042
Service Credit for Unused Sick Leave	20965
Post Retirement Survivor Allowance	21624, 21626 and 21635
Fourth Level of 1959 Survivor Benefit	21574
Pre-Retirement Optional Settlement 2 Death Benefit	21548
Public Service Credit for Periods of Layoff	21022
Public Service for Peace Corps or America Corps: VISTA Service	21023.5
Military Service Credit as Public Service	21024
Public Service Credit for Service Rendered to a Non-Profit Corporation	21026
Military Service Credit for Retired Persons	21027
Local System Service Credit included in Basic Death Benefit	21536
Cancellation of Payments for Service Credit Purchase upon Industrial Disability Retirement	21037

8% Employee Contribution. Non-Safety Administrative Officers agree to share the cost of retirement contribution on a pre-tax basis by paying the full 8% employee contribution. It is the intent of the parties to accommodate Administrative Officers' desire that said sums may be deducted on a pre-tax basis as deferred income for federal and state tax purposes. The parties believe the contribution is pre-tax because the City has filed the CalPERS IRS Code section 414(h)(2) resolution. However, any income tax obligations or penalties arising from such tax treatment shall be the exclusive responsibility of the employee. In the event of any adverse tax treatment for the Administrative Officer, the City shall not be responsible therefor and the City has made no representation regarding such tax treatment and Administrative Officers shall seek such advice from their personal tax advisors regarding such matters.

Increase in miscellaneous employee contribution for PERS for "Classic"/ Tier One employees as follows:

0.50% effective pay period ending
7/9/21* 0.50% effective pay period
ending 7/8/22* 0.50% effective pay
period ending 7/7/23*

City Contribution. The City agrees to pay the employer contribution to CalPERS.

B. Non-Safety Administrative Officers Initially Hired August 16, 2010 through December 31, 2012. Non-Safety Administrative Officers whose hire date as a full-time employee is effective August 16, 2010 through December 31, 2012 will be covered under the 2% at 60 formula with the benefits specified below.

Provision	Government Code Section
2% at 60 Formula	21353

Three Highest Years Average Compensation	20037
Pre-Retirement Optional Settlement 2 Death Benefit	21548
Service Credit for Unused Sick Leave	20965

Fourth Level of 1959 Survivor Benefit	21574
Public Service Credit for Periods of Layoff	21022
Public Service for Peace Corps or America Corps: VISTA Service	21023.5
Military Service Credit as Public Service	21024
Public Service Credit for Service Rendered to a Non-Profit Corporation	21026
Military Service Credit for Retired Persons	21027
Local System Service Credit included in Basic Death Benefit	21536
Cancellation of Payments for Service Credit Purchase upon Industrial Disability Retirement	21037

7% Employee Contribution. Non-Safety Administrative Officers agree to share the cost of retirement contribution on a pre-tax basis by paying the full 7% employee contribution. It is the intent of the parties to accommodate Administrative Officers' desire that said sums may be deducted on a pre-tax basis as deferred income for federal and state tax purposes. The parties believe the contribution is pre-tax because the City has filed the CalPERS IRS Code section 414(h)(2) resolution. However, any income tax obligations or penalties arising from such tax treatment shall be the exclusive responsibility of the employee. In the event of any adverse tax treatment for the Administrative Officer, the City shall not be responsible therefor and the City has made no representation regarding such tax treatment and Administrative Officers shall seek such advice from their personal tax advisors regarding such matters.

City Contribution. The City agrees to pay the employer contribution to CalPERS.

C. Sworn, Safety Administrative Officers Initially Hired July 1, 2010 and Earlier.

Sworn Safety Administrative Officers whose hire date as a full-time employee is effective July 1, 2010 and earlier will be covered under the 3% at 50 formula with the benefits specified below.

Provision	Government Code Section
3% at 50 formula	21362.2
One Year Final Compensation (Single Highest Year)	20042
Service Credit for Unused Sick Leave	20965
Post Retirement Survivor Allowance	21624, 21626, and 21635
2% Cost-of-Living	21329
Prior Service Credit	20055
Retired Death Benefits	21620
Pre-Retirement Option 2W Death Benefits	21548
Military Service	20996
Military Service Credit	21024
Military Service Credit for Retirees	21027
Peace Corps Service Credit	21023.5
Public Service Layoff Service Credit	21022
Member Cost Sharing (applicable only to Police Administrative Officers)	20516
Public Service Credit for Service Rendered to a Nonprofit Corporation	21026
Local System Service Credit Included in Basic Death Benefit	21536
Cancellation of Payments for Service Credit Purchase Upon Industrial Disability Retirement	21037

9% Employee Contribution. Administrative Officers agree to share the cost of retirement contribution on a pre-tax basis by paying the full 9% employee contribution. It is the intent of the parties to accommodate Administrative Officers' desire that said sums may be deducted on a pre-tax basis as deferred income for federal and state tax purposes. The parties believe the contribution is pre-tax because the City has filed the CalPERS IRS Code section 414(h)(2) resolution. However, any income tax obligations or penalties arising from such tax treatment shall be the exclusive responsibility of the employee. In the event of any adverse tax treatment for the Administrative Officer, the City shall not be responsible therefor and the City has made no representation regarding such tax treatment and Administrative Officers shall seek such

advice from their personal tax advisors regarding such matters.

Increase in safety employee contribution for PERS for "Classic"/ Tier One employees as follows:

1.0% effective pay period ending
7/9/21* 1.0% effective pay period
ending 7/8/22* 1.0% effective pay
period ending 7/7/23*

City Contribution. The City agrees to pay the employer contribution to CalPERS.

D. Police Chief Hired Between August 1, 2010 through December 31, 2012. The Police Chief whose hire date as a full-time employee is effective August 1, 2010 through December 31, 2012 will be covered under the 3% at 55 formula with the benefits specified below.

Provision	Government Code Section
3% at 55 formula	21363.1
Three Highest Years Average	20037
Service Credit for Unused Sick Leave	20965
2% Cost-of-Living	21329
Pre-Retirement Option 2W Death Benefits	21548
Military Service Credit	21024
Military Service Credit for Retirees	21027
Peace Corps Service Credit	21023.5
Public Service Layoff Service Credit	21022
Different Level of Benefits	20475
Public Service Credit for Service Rendered to a Nonprofit Corporation	21026
Local System Service Credit Included in Basic Death Benefit	21536
Cancellation of Payments for Service Credit Purchase Upon Industrial Disability Retirement	21037

9% Employee Contribution. Administrative Officers agree to share the cost of

retirement contribution on a pre-tax basis by paying the full 9% employee contribution. It is the intent of the parties to accommodate Administrative Officers' desire that said sums may be deducted on a pre-tax basis as deferred income for federal and state tax purposes. The parties believe the contribution is pre-tax because the City has filed the CalPERS IRS Code section 414(h)(2) resolution. However, any income tax obligations or penalties arising from such tax treatment shall be the exclusive responsibility of the employee. In the event of any adverse tax treatment for the Administrative Officer, the City shall not be responsible therefor and the City has made no representation regarding such tax treatment and Administrative Officers shall seek such advice from their personal tax advisors regarding such matters.

City Contribution. The City agrees to pay the employer contribution to CalPERS.

E. Fire Chief Hired Between August 1, 2011 and December 31, 2012. The Fire Chief whose hire date as a full-time employee is effective August 1, 2011 through December 31, 2012 will be covered under the 2% at 50 formula with the benefits specified below.

Provision	Government Code Section
2% at 50	21362
Three year final compensation	20037
Different levels of benefits	20475
Pre-retirement Optional Settlement 2 Death Benefit	21548
Credit for Unused Sick Leave	20965
Public Service Credit for Periods of Layoff	21022
Public Service for Peace Corps or America Corps: VISTA Service	21023.5
Military Service Credit as Public Service	21024
Public Service Credit for Service Rendered to a Nonprofit Corporation	21026
Military Service Credit for Retired Persons	21027

Local System Service Credit Included in Basic Death Benefit	21536
Cancellation of Payments for Service Credit Purchase Upon Industrial Disability Retirement	21037

9% Employee Contribution. Administrative Officers agree to share the cost of retirement contribution on a pre-tax basis by paying the full 9% employee contribution. It is the intent of the parties to accommodate Administrative Officers' desire that said sums may be deducted on a pre-tax basis as deferred income for federal and state tax purposes. The parties believe the contribution is pre-tax because the City has filed the CalPERS IRS Code section 414(h)(2) resolution. However, any income tax obligations or penalties arising from such tax treatment shall be the exclusive responsibility of the employee. In the event of any adverse tax treatment for the Administrative Officer, the City shall not be responsible therefor and the City has made no representation regarding such tax treatment and Administrative Officers shall seek such advice from their personal tax advisors regarding such matters.

City Contribution. The City agrees to pay the employer contribution to CalPERS

F. California Employees' Pension Reform Act of 2013. Assembly Bill No. 340 (2012) established the California Public Employees' Pension Reform Act of 2013 (hereinafter referred to as PEPRA). The City is required to comply with the provisions of PEPRA.

G. New Members and New Employees Under PEPRA.

New Members Defined by PEPRA. New members are defined by PEPRA as an employee who becomes a member of a public retirement system for the first time on or after January 1, 2013 and:

1. Was not a member of a public retirement system before January 1, 2013; or
2. Was a member of a public retirement system before January 1, 2013 that is not subject to reciprocity with CalPERS; or

3. Alternatively, anyone who was an active member of a retirement system, has a break in service of six (6) months or more, and returns to active membership in the same system with a new employer.

New Employees Defined by PEPRA. New employees are defined by PEPRA as an individual hired on or after January 1, 2013 and:

1. Never worked in the public sector before January 1, 2013; or
2. Worked in the public sector before January 1, 2013, but worked for an employer with a retirement plan that did not have reciprocity with CalPERS.

Non-Safety New Members and New Employees will be covered under the 2% at 62 formula with the benefits specified below.

Provision	Government Code Section
2% at 62	7522.20(a)
Three year final compensation	7522.32
Pre-retirement Optional Settlement 2 Death Benefit	21548
Military Service Credit as Public Service	21024

Sworn Safety New Members and New Employees will be covered under the 2.7% at 57 formula with the benefits specified below.

Provision	Government Code Section
2.7% at 57	7522.20(b)
Three year final compensation	7522.32
Military Service Credit as Public Service	21024
Pre-retirement Optional Settlement 2 Death Benefit	21548

New Member and New Employee Contribution. PEPRA (Government Code Section 7522.30) states "Equal sharing of normal costs between public employers and public employees shall be the standard." The

standard shall be that employees pay at least 50% of normal costs and the employers not pay any of the required employee contributions.

The "normal cost rate" shall mean the annual actuarially determined normal cost for the defined benefit plan of an employer expressed as a percentage of payroll.

New Members and New Employees shall pay 50% of the normal cost adjusted annually in accordance with the CalPERS actuarial valuation for the City of Fountain Valley 2% at 62 or 2.7% at 57 plan. Any change to the New Member and New Employee contribution rate will become effective the first payroll period closest to July 1 of the appropriate year.

City Contribution. The City agrees to pay the employer contribution to CalPERS.

H. Classic/Legacy Employees Under the California Employees' Pension Reform Act of 2013. An Administrative Officer hired on or after January 1, 2013 who was employed by any public employer before January 1, 2013 and who does not meet the definition of "New Member" or "New Employee" under the PEPRRA will be designated as a Classic/Legacy Employee. Classic/Legacy Employees are defined as those individuals who are:

1. Working for an employer providing CalPERS retirement benefits who begins employment with the City of Fountain Valley without a break in service or a break in service of less than six (6) months; or
2. Current member of a public retirement system or plan with reciprocity with CalPERS.

Non-Safety Classic/Legacy Employees will be covered under the 2% at 60 formula with the benefits specified below.

Provision	Government Code Section
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2% at 60 Formula	21353
Three Highest Years Average Compensation	20037
Pre-Retirement Optional Settlement 2 Death Benefit	21548
Service Credit for Unused Sick Leave	20965
Fourth Level of 1959 Survivor Benefit	21574

Public Service Credit for Periods of Layoff	21022
Public Service for Peace Corps or America Corps: VISTA Service	21023.5
Military Service Credit as Public Service	21024
Public Service Credit for Service Rendered to a Non-Profit Corporation	21026
Military Service Credit for Retired Persons	21027
Local System Service Credit included in Basic Death Benefit	21536
Cancellation of Payments for Service Credit Purchase upon Industrial Disability Retirement	21037

7% Employee Contribution. Non-Safety Administrative Officers agree to share the cost of retirement contribution on a pre-tax basis by paying the full 7% employee contribution. It is the intent of the parties to accommodate Administrative Officers' desire that said sums may be deducted on a pre-tax basis as deferred income for federal and state tax purposes. The parties believe the contribution is pre-tax because the City has filed the CalPERS IRS Code section 414(h)(2) resolution. However, any income tax obligations or penalties arising from such tax treatment shall be the exclusive responsibility of the employee. In the event of any adverse tax treatment for the Administrative Officer, the City shall not be responsible therefor and the City has made no representation regarding such tax treatment and Administrative Officers shall seek such advice from their personal tax advisors regarding such matters.

City Contribution. The City agrees to pay the employer contribution to CalPERS.

Classic/Legacy Police Chief will be covered under the 3% at 55 formula with the benefits specified below.

Provision	Government Code Section
3% at 55 formula	21363.1
Three Highest Years Average	20037
Service Credit for Unused Sick Leave	20965
2% Cost-of-Living	21329
Pre-Retirement Option 2W Death Benefits	21548

Military Service Credit	21024
Military Service Credit for Retirees	21027
Peace Corps Service Credit	21023.5
Public Service Layoff Service Credit	21022
Different Level of Benefits	20475
Public Service Credit for Service Rendered to a Nonprofit Corporation	21026
Local System Service Credit Included in Basic Death Benefit	21536
Cancellation of Payments for Service Credit Purchase Upon Industrial Disability Retirement	21037

9% Employee Contribution. Administrative Officers agree to share the cost of retirement contribution on a pre-tax basis by paying the full 9% employee contribution. It is the intent of the parties to accommodate Administrative Officers' desire that said sums may be deducted on a pre-tax basis as deferred income for federal and state tax purposes. The parties believe the contribution is pre-tax because the City has filed the CalPERS IRS Code section 414(h)(2) resolution. However, any income tax obligations or penalties arising from such tax treatment shall be the exclusive responsibility of the employee. In the event of any adverse tax treatment for the Administrative Officer, the City shall not be responsible therefore and the City has made no representation regarding such tax treatment and Administrative Officers shall seek such advice from their personal tax advisors regarding such matters.

City Contribution. The City agrees to pay the employer contribution to CalPERS.

Classic/Legacy Fire Chief will be covered under the 2% at 50 formula with the benefits specified below.

Provision	Government Code Section
2% at 50	21362
Three year final compensation	20037
Different levels of benefits	20475

Pre-retirement Optional Settlement 2 Death Benefit	21548
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Credit for Unused Sick Leave	20965
Public Service Credit for Periods of Layoff	21022
Public Service for Peace Corps or America Corps: VISTA Service	21023.5
Military Service Credit as Public Service	21024
Public Service Credit for Service Rendered to a Nonprofit Corporation	21026
Military Service Credit for Retired Persons	21027
Local System Service Credit Included in Basic Death Benefit	21536
Cancellation of Payments for Service Credit Purchase Upon Industrial Disability Retirement	21037

9% Employee Contribution. Administrative Officers agree to share the cost of retirement contribution on a pre-tax basis by paying the full 9% employee contribution. It is the intent of the parties to accommodate Administrative Officers' desire that said sums may be deducted on a pre-tax basis as deferred income for federal and state tax purposes. The parties believe the contribution is pre-tax because the City has filed the CalPERS IRS Code section 414(h)(2) resolution. However, any income tax obligations or penalties arising from such tax treatment shall be the exclusive responsibility of the employee. In the event of any adverse tax treatment for the Administrative Officer, the City shall not be responsible therefore and the City has made no representation regarding such tax treatment and Administrative Officers shall seek such advice from their personal tax advisors regarding such matters.

City Contribution. The City agrees to pay the employer contribution to CalPERS.

I. Compensation Reportable to CalPERS.

Administrative Officers Hired on or Before December 31, 2012. For purposes of calculating retirement benefits, the City will report to the California Public Employees' Retirement System all regular compensation and special

compensation including uniform allowance.

Administrative Officers Hired January 1, 2013 and Later. For purposes of calculating retirement benefits, the City will report to the California Public Employees' Retirement System, all regular compensation. In accordance with PEPRAs, for employees hired beginning January 1, 2013 and later, special compensation including uniform allowance is not pensionable compensation and therefore may not be reported to CalPERS as pensionable compensation. PEPRAs, amendments and CalPERS law will define those special pays which may be reportable as pensionable compensation.

SECTION 9 - GROUP MEDICAL AND DENTAL INSURANCE.

- A. The City contracts with the California Public Employees' Retirement System's Public Employees' Medical and Hospital Care Act (PEMHCA) for medical insurance for City employees. The payment of premiums towards group medical/dental/life insurance will be through the administration of a flexible benefit package.

The City shall pay the CalPERS statutory minimum employer contribution specified in Section 22892 of the Public Employees' Medical and Hospital Care Act. In addition to the CalPERS statutory minimum employer contribution, the City shall make contributions to a flexible benefits plan as noted herein.

B. Employees Defined.

1. Tier 1A Medical Employees are defined as those individuals employed in a full-time position with the City of Fountain Valley beginning July 31, 2011 and earlier.
2. Tier 2 Medical Employees are defined as those individuals employed in a full-time position with the City of Fountain Valley beginning August 1, 2011 and later.

If an employee separates employment then later returns to employment with the City of Fountain Valley, the date the employee returned to employment will

become the hire date for the employee and will be considered a Tier 2 employee and only eligible for Tier 2 benefits.

The amount identified as flex dollars is inclusive of the CalPERS statutory minimum. The annual City contribution towards health insurance will be published during the open enrollment period each year.

C. Tier 1 Employees City Contribution. The City contribution is as follows:

Flex Dollar Allowance	Flex Dollars	Longevity Health Stipend	Total Flex Allowance
Employee Only coverage	\$575.00	\$1,779.76	\$2,354.76
Employee +1 Dependent coverage	\$1,050.00	\$1,304.76	\$2,354.76
Employee+ Family coverage	\$1,300.00	\$1,054.76	\$2,354.76

Administrative Officers who elect not to be covered under the medical plan provided through the cafeteria plan (waiver of premium) shall receive the CalPERS statutory minimum employer contribution specified in Section 22892 of the Public Employees' Medical and Hospital Care Act as cash wages. However, the Administrative Officer will be required to pay for dental and life insurance premiums, both of which are mandatory out of the CalPERS statutory minimum employer contribution waiver of premium contribution.

D. Tier 2 Employees City Contribution. The City will make contributions to each Administrative Officer's flexible spending account based upon coverage elected. Specifically, Tier 2 Administrative Officers may select from CalPERS PEMHCA available plans with the City paying for the full premiums for coverage selected for the employee and eligible dependents. Tier 2 employees do not qualify for the longevity health stipend.

Administrative Officers who elect not to be covered under the medical plan provided through the cafeteria plan shall receive the CalPERS statutory minimum

employer contribution specified in Section 22892 of the Public Employees' Medical and Hospital Care Act as cash wages. However, the Administrative Officer will be required to pay for dental and life insurance premiums, both of which are mandatory out of the CalPERS statutory minimum employer contribution specified in Section 22892 of the Public Employees' Medical and Hospital Care Act waiver of premium contribution.

E. Cafeteria Plan. The provisions of the Cafeteria Plan are described below.

1. Benefits Provided Through the Cafeteria Plan. Effective January 1, 2011, the insurance benefits provided for in this Section will be provided through the provision of a cafeteria plan adopted in accordance with the provisions of Internal Revenue Code § 125: medical and dental.
2. Each month the City will contribute to the cafeteria plan flex dollars for current employees and new hires as specified in the flexible benefit form. In addition, the City will contribute a longevity stipend for Tier 1 employees as specified in Section C above. The City's flex dollar contribution includes the CalPERS statutory minimum paid by the City.
3. The Purchase of Optional Benefits Through the Cafeteria Plan. The cafeteria plan offers Administrative Officers the opportunity to purchase optional medical insurance and AFLAC insurance. Eligible employees may select from any of the medical insurance plans offered by CalPERS. If CalPERS changes any of the medical insurance plans by either adding or deleting the plan options, employees will be limited to those plan options offered by CalPERS.

Administrative Officers may also elect any of the optional AFLAC insurance options the City offers to employees at the employee's sole cost.

Dental and life insurance are not optional benefits and such premiums will be deducted from each employee's cafeteria plan flex dollars or waiver of premium contribution.

4. Employee Contributions for Benefit Options. If an Administrative Officer chooses optional benefits whose aggregate cost exceeds the total flex dollar City contribution to the cafeteria plan, the City will automatically deduct the excess amount on a pre-tax basis, if applicable, from the employee's bi-weekly payroll.

5. The Receipt of Cash Through the Cafeteria Plan. Tier 1 Administrative Officers will be eligible to receive cash (subject to taxation as wages) through the cafeteria plan if they either opt out of receiving medical insurance or if they choose optional benefits that do not cost as much as the flex dollars provided by the City towards the cafeteria plan. Any such employee shall be eligible to receive in cash the difference between the City's monthly cafeteria plan flex dollar contribution and the total of the premiums selected up to a maximum of \$350 per month. Tier 1 Administrative Officers who are receiving cash through the cafeteria plan in excess of \$350 per month as of January 1, 2018 are grandfathered to continue to receive cash in excess of \$350 per month until they are no longer a Tier 1 Administrative Officer or the receipt of cash falls below \$350 per month. Tier 1 Administrative Officers appointed after January 1, 2018 are capped at receiving a maximum of \$350 per month as cash.

In order to opt out of the City's medical coverage, employees will be required to maintain and provide proof of group health plan coverage through an alternative source and the alternative group health plan coverage must meet the Affordable Care Act's requirements regarding affordability and minimum value.

F. Voluntary Vision Plan. The City will offer a voluntary vision care plan as one of the health programs offered under the City's cafeteria plan. Enrollment in the vision program is voluntary with premiums paid by the employee.

SECTION 10 - TERM LIFE INSURANCE. The City shall provide each Administrative Officer with a term life insurance policy equal to \$100,000 worth of

coverage and shall pay the full cost of the life insurance premium. Retired Administrative Officers shall not be eligible for life insurance coverage.

SECTION 11 - LONG-TERM DISABILITY INSURANCE. The City shall maintain and pay full premiums for a long-term disability insurance policy for all Administrative Officers. The purpose of long-term disability insurance is to ensure that Administrative Officers will have a source of income if they are disabled from performing their regular duties for a period longer than sixty (60) calendar days.

A. Eligibility. An Administrative Officer's eligibility for long-term disability benefits depends on whether or not the Administrative Officer's disability is industrial or non-industrial in nature. If the disability is industrially related, the Administrative Officer's eligibility for long-term disability benefits begins on the 61st calendar day of continuous absence from work for non-safety Administrative Officers and upon exhaustion of Labor Code 4850 benefits for Safety Administrative Officers.

If the Administrative Officer's disability is not industrially related, the Administrative Officer's eligibility begins either on the 61st calendar day of the Administrative Officer's absence from work, or upon expiration of the Administrative Officer's sick leave, whichever period is longer.

B. Benefits. An Administrative Officer who is eligible to receive long-term disability benefits will receive 66 2/3% of the first \$5,000 of his/her monthly salary as of the date their disability began less any deductible benefits, as provided for in the long-term disability policy.

C. Off Payroll Status. An Administrative Officer who is receiving long-term disability benefits is considered in an off-payroll status, and will not accrue benefits during the time that he/she is in such status. In addition, Administrative Officers who are in an off-payroll status while receiving long-term disability benefits are responsible for maintaining group health insurance coverage and for paying premiums therefor.

D. In Lieu of Other Benefits. Such long-term disability benefits are in lieu of all other City- provided compensation, such as Workers' Compensation benefits or disability retirement benefits and shall not be paid in addition to those other benefits.

SECTION 12 - FLEXIBLE SPENDING ACCOUNT. The City shall provide a voluntary Flexible Spending Plan (Section 125 Plan under the Internal Revenue Code) to Administrative Officers. Enrollment in the plan allows employees to pay for out-of-pocket Health Care and Dependent Care costs with pre-tax dollars. Flexible Spending Account limits will be followed by the City as set each year by the Internal Revenue Service (IRS).

At enrollment and annually thereafter, participants must designate the Flexible Spending Account election amount for the remainder of the year for new hires and for the next year for current employees. The annual amount is deducted from the employee's paycheck in equal installments, on a pre-tax basis, and credited to the employee's Flexible Spending Account. Reimbursement will be paid directly by a third party administrator.

Federal law prohibits any change in a Flexible Spending Account during the calendar year unless the employee or his/her dependent(s) have a qualifying "life event." A qualifying "life event" is marriage, divorce or legal separation, birth or adoption of a dependent, death of a dependent, or a change in the employee or employee's spouse's employment status.

The change in the Flexible Spending Account must be due to and consistent with the "life event" which permits the change.

An annual open enrollment period will be provided for the upcoming year's program. Administrative Officers must affirmatively enroll in the Flexible Spending Account for each year. There is no automatic renewal.

When estimating annual expenses, Administrative Officers are cautioned to only consider those expenses he/she is reasonably certain he/she will incur. Any amount left in an Administrative Officer's Flexible Spending Account at the end of the year is

forfeited.

Deductions for Flexible Spending Accounts shall not reduce earnable compensation for purposes of calculating benefits or contributions for the California Public Employees' Retirement System.

The City maintains the right to select and change, if needed, the vendor to administer the Flexible Spending Account program.

SECTION 13- MEDICAL AND DENTAL INSURANCE FOR RETIREES.

The City shall provide group medical/dental insurance to Administrative Officers who retire from the City meeting the criteria and subject to the conditions and limitations noted below. The City contracts with the California Public Employees' Retirement System's Public Employee's Medical and Hospital Care Act (PEMHCA) for medical insurance for City employees and retirees. Benefits are grouped in tiers based upon hire date and years of continuous City service.

A. Retiree Medical Tiers and City Contributions.

1. **Tier 1 Medical Retiree.** Tier 1 medical retirees are defined as those individuals employed as an Administrative Officer with the City of Fountain Valley beginning July 31, 2011 and earlier.
2. **Tier 2 Medical Retiree.** Tier 2 medical retirees are defined as those individuals hired as an Administrative Officer with the City of Fountain Valley beginning August 1, 2011 and later.
3. **Tier 3 Medical Retirees.** Tier 3 medical retirees are defined as City employees (hired August 20, 2012 and earlier) promoted to Administrative Officer with the City of Fountain Valley beginning August 21, 2012 and later:

Bargaining Unit Promoted From	Original City Hire Date	Benefits
------------------------------------------	------------------------------------	-----------------

Police Officers Management	N/A	City contributions continue and become supplemental to Medicare upon the dependent or retiree reaching age 65.
Battalion Chief and Professional/ Technical Unit	2/15/86 & earlier.	City contributions continue and become supplemental to Medicare upon the dependent or retiree reaching age 65.
Battalion Chief and Professional/ Technical Unit	2/16/86 & later.	City contributions will continue until the retiree or covered dependent reaching age 65, whichever reaches age 65 sooner, at which time, City contributions will be reduced to the CalPERS statutory minimum employer contribution.
Individually Represented Professional/ Technical Employee Human Resource Director	6/5/89	City contributions continue and become supplemental to Medicare upon the dependent or retiree reaching age 65.

B. Retiree Medical/Dental Tiers. The following is a synopsis of each tier

Tier Effective Date of Promotion to Administrative Officer		Years of Continuous City Service	Provisions the Employee in the Specified Tier is Eligible for
1A	7/31/11 and earlier	10 or more years	1,3,4,5,6,8,9,11,13,14
1B	7/31/11 and earlier (Disability Retirement)	N/A	2,3,4,5,6,8,9,11,13,14
1C	7/31/11 and earlier if City service does not fit into Tier 1A or B		1,4,6,7,12
2A	8/1/11 and later	N/A	1,4,6,7,12
2B	8/1/11 and later (Disability Retirement)	N/A	2,4,6,7,12
3A	Promotion to Administrative Officer from the Police Officers Management Unit.	10 or more years.	1,3,4,5,6,8,9,11,13,14
3B	Promotion to Administrative Officer 8/21/12 and later from the Battalion Chief or Professional/ Technical Unit with an original City hire date of 2/15/86 and earlier.	10 or more years.	1,3,4,5,6,8,9,11,13,14
3C	Promotion to Administrative Officer 8/21/12 and later from the Battalion Chief or Professional/Technical Unit with an original City hire date of 2/16/86 and later.	10 or more years.	1,3,4,5,6,8,10,11,13,14

3D	Promotion to Administrative Officer 8/21/12 and later from Individually Represented Professional/Technical	10 or more years.	1,3,4,5,6,8,9,11,13,14
3E	Employee in the classification of Personnel Manager with an original hire date of 6/5/89.		1,4,6,7,12

The provision numbers listed below correspond to the code above designating which benefits each retiree is eligible for. If a code is not included in the "Provisions the Employee in the Specified Tier is Eligible for" section, the employee in the specified tier is not eligible for that benefit.

Provision No. 1 - Retired Employee Definition. An Administrative Officer is a retired employee when he/she:

1. Has reached 50 years in age or greater;
2. Has been employed for at least 5 years;
3. Is a vested member of CalPERS;
4. Retires with a service retirement after October 1, 1980;
5. Must retire directly from actual duty and maintain continuous coverage both prior to and subsequent to retirement;
6. Any lapse in coverage for the retiree or his/her dependents (including voluntarily removing a dependent from the plan) will result in a permanent loss of City contributions towards such retiree's and dependent's medical and dental premiums.

Provision No. 2 - Disability Retired Employee Definition. Any of the following permanent disabilities shall be conclusively presumed to be total in character:

1. Loss of both eyes or the sight thereof.
2. Loss of both hands or the use thereof.
3. An injury resulting in practically total paralysis.
4. An injury to the brain resulting in incurable imbecility or insanity.

In all other cases, permanent total disability shall be determined in accordance with the fact.

Totally disabled employees may apply to the life insurance carrier for continued life insurance coverage under the waiver of premium provision. Coverage is subject to the annual provision, review and approval of the insurance carrier.

Provision No. 3 - Eligible Qualified Dependent Coverage Limitation.

For Tier 1 and Tier 3 employees, City contributions towards medical premiums in excess of the CalPERS statutory minimum employer contribution is limited to the eligible retiree and those dependent(s) covered on the employee's plan for a minimum of two (2) full years (24 months) prior to the Administrative Officer's retirement date. Such dependent will be classified as a qualified dependent.

Definition of Qualified Dependent. A spouse and/or dependent child covered on the employee's medical and dental plan for a minimum of two (2) full years (24 months) prior to retirement. Such dependent will be classified as a qualified dependent.

Dependent Children. City contributions for dependent children will end the month during which the dependent child turns age 23. The dependent child may continue on the plan until age 26, in accordance with plan provisions; however, the City will not pay any contributions toward the dependent child's medical or dental

premiums past age

23. The following examples illustrate the impact to the City contribution when a dependent child turns age 23:

1. If the retiree covers 1) himself/herself and 2) a dependent child, the month during which the dependent child reaches age 23, the City ceases contributions towards the premium for the dependent child and pays only single coverage for the retiree.
2. If the retiree covers 1) himself/herself, 2) a spouse and 3) a dependent child, the month during which the dependent child reaches age 23, the City ceases contributions towards the premium for the dependent child and pays two-party coverage for the retiree and spouse.
3. If the retiree covers 1) himself/herself, 2) a spouse and 3) more than one (1) dependent child, the City will continue to pay the premium for family coverage for the retiree, spouse and dependent child under age 23. Effective during the month during which the youngest child reaches age 23, the City ceases contributions towards the premiums for the dependent child(ren) and pays two- party coverage for the retiree and spouse.
4. If the retiree covers 1) himself/herself, 2) more than two (2) dependent children, the month during which the dependent child reaches age 23, the City ceases contributions towards the premium for the 23 year old dependent child and pays two-party coverage for the retiree and the dependent child under age 23.

Definition of Non-Qualified Dependent. A dependent added to the employee's medical and dental plan less than two (2) full years (24 months) prior to retirement or at a later date is ineligible for any City contribution towards medical insurance. The non-qualified dependent may enroll in the medical plan; however, premiums for such enrollment are entirely dependent paid. The City will not pay any contributions towards the medical premium for such non-qualified dependent(s). Failure to pay premiums for non-qualified

dependents will result in loss of coverage.

Provision No. 4 - Separation Then Return to City Service. If an employee separates employment then later returns to employment with the City of Fountain Valley, the date the employee returned to employment will become the hire date for the employee and will be considered a new hire and only eligible for new hire benefits.

Provision No. 5 - Limitation. There is no cash back provision if the premium for the medical and dental plans for qualified dependents is less than the difference between the CalPERS statutory minimum and the medical premium for the plan selected for the retiree and eligible qualified dependent(s) up to the maximum the City contributes for Administrative Officers for Tier 1 employees.

Provision No. 6 - Life or Vision Insurance. Retirees are not eligible for life or vision insurance coverage through the City.

Provision No. 7 - CalPERS Statutory Minimum Employer Contribution. Only while participating in the CalPERS medical plan will the City pay the minimum employer contribution specified in Section 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA) to CalPERS. Should the City discontinue contracting with PEMHCA at any time, the City will not be responsible for paying any contribution towards health insurance premiums for such retiree and those premiums shall be entirely retiree paid.

Provision No. 8 - City_ Contributions.

The City will contribute towards the monthly medical and dental premiums for the retiree and qualified dependent(s) who were covered on the employee's plan for a minimum of two (2) full years (24 months) prior to retirement (designated as qualified dependent) up to the maximum the City contributes for Administrative Officers for Tier 1 employees. The City's contribution will equal the premium for the retiree and eligible qualified dependents medical and dental plan. If PERS Care is selected, the City's contribution will equal the premium for the retiree and eligible qualified dependents on PERS Choice or comparable plan with the

remainder of the PERS Care premium paid by the retiree. The City guarantees that the premium payment shall be the same as active Administrative Officers, provided that the contribution paid by the City shall not be less than the City contribution at the time Resolution No. 9338 was in effect.

Provision No. 9 - Supplemental to Medicare City Contribution. Coverage will become supplemental to Medicare at age 65. The City will pay the supplemental to Medicare/basic medical and dental premium as applicable for the retiree and eligible qualified dependent(s) up to the maximum the City contributes for Administrative Officers for active Tier 1 employees. The retiree will be responsible for paying Medicare premiums.

Provision No. 10 - Termination of City Contribution.

Medical coverage will terminate upon the retiree or covered dependent reaching age 65, at which time, the employee and covered dependent continues coverage at his/her own expense for medical insurance. Only while participating in the CalPERS medical plan will the City pay the minimum employer contribution specified in Section 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA) to CalPERS. Retiree only dental premiums will continue to be paid by the City until the retiree's death.

Provision No. 11 - Surviving, Eligible Qualified Dependent(s) City Contribution. The City pays the actual medical and dental premium for the surviving dependent(s) up to the maximum the City contributes for Administrative Officers for Tier 1 employees.

Provision No. 12 - Retiree Contributions. The retiree enrolls in the medical plan at his/her own expense. The retiree may elect dental coverage through COBRA continuation for 18 months. If elected, the retiree will pay the full premium plus the 2% administrative fee. Failure to pay premiums will result in loss of coverage.

Provision No. 13 - Retiree Contributions.

Non-Qualified Dependent(s).

If non-qualified dependent(s) are covered under the plan, the retiree will be responsible for paying for the full premium for such dependent(s).

Medicare Premium.

Medicare premiums are to be paid by the retiree.

Provision No. 14 - Surviving, Eligible Qualified Dependent(s) Coverage -

Continuation on the Medical and Dental Plans. Coverage for dependent survivors of deceased retired employees or employees killed in the line of duty shall continue though coverage will become supplemental if the surviving spouse obtains other group medical insurance or Medicare at age 65. If the surviving spouse remarries, all coverage for the survivor's spouse and dependent survivors, including supplemental coverage paid by the City will terminate. If none of these events which would terminate coverage occurs, coverage for dependent survivors of deceased retirees or employees killed in the line of duty under the City's group medical insurance plan will continue in accordance with the Public Employees' Medical and Hospital Care Act Program or the medical plan currently in existence.

SECTION 14 - HOLIDAYS. Administrative Officers will be entitled to 11 paid holidays per calendar year. The 11 paid holidays to which they are entitled are:

New Year's Day
Martin Luther King Jr's Day
President's Day (Washington's
Birthday) Memorial Day
Independence
Day Labor Day
Veterans' Day
Thanksgiving and the day after Thanksgiving
Christmas
"Floating Holiday"

Holidays will be paid at the full day work rate (i.e., if an employee is scheduled to

work a 4/10 shift, the holiday will be paid out at 10 hours).

The exact date upon which each of the above holidays will be observed and during which City Hall will be closed shall be set by Administrative Regulation each year.

The "floating holiday" may be taken at any time during the year, subject to approval of the City Manager. The "floating holiday" must be used during the calendar year, and may not be carried over from one year to the next. The floating holiday shall be consistent with the regular workday of an Administrative Officer. Administrative Officers who separate from employment may not be compensated for any unused holiday.

SECTION 15 -VACATION ACCRUAL RATE. Administrative Officers shall accrue vacation time at the following rate:

Years of Service	Hours Per Year	Hours Per Payroll Period
6 months - 1 year	80	3.08
Years 2 - 5	120	4.62
Years 6 - 8	136	5.23
Years 9 - 10	144	5.54
Years 11 - 12	152	5.85
Years 13-14	160	6.15
Years 15 and over	200	7.69

A. Maximum Vacation Accrual: Administrative Officers may accrue up to 240 hours of vacation and with City Manager approval, may exceed 240 hours for business necessity.

B. Annual Vacation Payoff: Annually, Administrative Officers who use 20 hours of vacation and/or administrative leave in a calendar year and maintain an accrual of 20 hours of vacation leave (after vacation buy-back) may request to buy-back a maximum of 80 hours of vacation. To request a vacation payoff, the Administrative Officer must submit an irrevocable election form specifying the number of hours requested. The irrevocable election form must be received by the Human Resources Department before December 31st of the year prior to the payoff.

For example, to receive a payout in 2022, an Administrative Officer must submit a completed irrevocable election form to Human Resources before December 31, 2021. If during the 2022 calendar year, the Administrative Officer meets the criteria specified herein to be eligible for payoff, he/she will receive the requested payoff. If the Administrative Officer does not submit the irrevocable election form within the required timeline or he/she does not meet the criteria for payoff, no payoff will be given.

C. Annual Sweep of Vacation Hours in Excess of 240 Hours:

1. Annually, effective on the first payroll period in February, should an Administrative Officers vacation accrual exceed the maximum annual vacation accrual specified in Section 15 B, the sum above the maximum will be swept into a qualifying plan such as a 457 or Retiree Health Savings (RHS) Account as defined below. The hours exceeding the maximum will be cashed out and deposited into the Administrative Officer's account.

2. Those promoted into the Administrative Officers' unit between 7/1/2019 and 12/31/2019, and those promoted into the Administrative Officers' unit between 1/1/2023 through 1/15/2023, will deposit the Annual Sweep of Vacation Hours in excess of 240 hours into their individual RHS account(s).

3. Those appointed (hired) to the City, and in the Administrative Officers' unit beginning 9/1/2023 through 6/30/2024 will deposit fifty (50%) percent of their Annual Sweep of Vacation Hours in Excess of 240 hours into their individual RHS account(s)

D. Vacation Accrual at Separation: At separation, the monetary value of the Administrative Officer's accrued, unused vacation time will be cashed out and paid to the Administrative Officer or deposited into their individual RHS accounts as defined in Section 23 Retiree Health Savings Account.

SECTION 16 -SICK LEAVE. Administrative Officers shall accrue sick leave at the rate of 3.69 hours per bi-weekly pay period (one, eight-hour day per month).

In accordance with California Labor Code section 245 et seq., should an Administrative Officer separate from employment with the City of Fountain Valley, and then return to City employment within one (1) year from the date of separation, the employee's accrued, unused sick leave hours at the time of separation after any sick leave payoff if any, shall be reinstated upon re-hire.

A. Sick Leave Usage. The first three (3) days or work hours equivalent (e.g. 30 hours for employees on a 4/10 schedule) of paid sick leave taken each 12 month period will be considered sick leave used pursuant to the Healthy Workplaces, Healthy Families Act of 2014 (California Labor Code sections 245-249). The 12 month period is July 1 through June 30 for employees hired prior to July 1, 2015. For employees hired on or after July 1, 2015, the 12 month period is the 12 month period beginning on the employee's hire date, until the following July 1, at which point the employee's 12 month period will change to July 1 - June 30.

1. Administrative Officers can use sick leave for themselves for preventative care (such as physical exams) or care of an existing health condition;
2. Administrative Officers can use up to a maximum of one-half of one year's annual accrued sick leave (e.g. 60 hours for employees on a 4/10 work schedule) per year for the diagnosis, care, or treatment of an existing health condition of, or preventive care for, an employee's child, parent, spouse or registered domestic partner. The first three days (or work hours equivalent) of sick leave an employee uses in a 12 month period can also be used for the diagnosis, care, or treatment of an existing health condition of, or preventive care for, an employee's sibling, parents-in-law, grandparent or grandchild. Sick leave usage for family illness is separate from Family Care and Medical Leave, the provisions of which are included in Administrative Regulation No. 1050; however, sick leave usage for family illness may run concurrently with Family Care and Medical Leave; or
3. Administrative Officers can use sick leave for specified purposes if they are victims of domestic violence, sexual assault or stalking as set forth in

California Labor Code section 230(f) and 230.1(a).

After an Administrative Officer has used three sick leave days (or work hours equivalent) in a 12 month period, the use of sick leave shall be subject to the approval of the City Manager who may request a physician's statement or other documentation substantiating the illness at any time and may require a release to duty before allowing an Administrative Officer to return to duty. Administrative Officers will be required to use accrued sick leave prior to requesting a leave of absence without pay.

C. Sick Leave Payoff. Upon completion of ten (10) years of continuous service with the City, Administrative Officers who separate from the City for any reason other than termination for cause shall be paid 25% of the Administrative Officer's accrued, unused sick leave balance at the time of separation. In the event of death at any time during employment with the City, 25% of the Administrative Officer's accrued, unused sick leave will be paid to the Administrative Officer's estate. Contributions to the California Public Employees' Retirement System shall not be made on any payoff for accrued, unused sick leave.

D. Retirement Credit for Unused Sick Leave. Pursuant to Government Code Section 20965 and the City's contract with CalPERS, Administrative Officers who retire from the City may receive service credit towards their retirement for all accrued, unused sick leave for which they do not receive compensation. This provision shall apply only to Administrative Officers whose effective date of retirement is within four (4) months of separation from employment with the City.

SECTION 17 - BEREAVEMENT LEAVE. Administrative Officers shall be entitled to a maximum of 5 working days (up to three (3) of which shall be with pay) as Bereavement Leave, when they are compelled to be absent from duty by reason of death of an immediate family member, or in the event of critical illness where death appears to be imminent. For purposes of bereavement leave, "immediate family member" refers to spouse, registered domestic partner, child, stepchild, grandchild, sibling, parent, step-parent, parent-in-law, grandparent, or legal guardian.

SECTION 18 - INDUSTRIAL INJURY LEAVE. Administrative Officers who sustain injuries or illnesses arising out of their employment and in the course of their employment shall be entitled to the following:

- A. Non-sworn Administrative Officers shall be entitled to a maximum of ninety (90) calendar days of industrial injury leave at full salary and benefits in lieu of temporary disability benefits. Administrative Officers who are absent from work for longer than ninety (90) calendar days due to industrial illness or injury will receive those benefits provided for in the Workers' Compensation Law, as well as, any long-term disability benefits to which they may be entitled. Administrative Officers will also be permitted, after exhaustion of the ninety (90) days industrial injury leave, to use accrued sick leave to supplement their Workers' Compensation benefits for a maximum of sixty (60) calendar days. In no case will an Administrative Officer be permitted to receive more than their regular pay.

- B. Sworn Administrative Officers shall be entitled to a maximum of one year of industrial injury leave at full salary and benefits, pursuant to Labor Code Section 4850. Administrative Officers who are absent from work for longer than one year due to industrial illness or injury will receive those benefits provided for in the Workers' Compensation law, as well as, any long-term disability benefits to which they may be entitled. In no case will an Administrative Officer be permitted to receive more than their regular pay.

SECTION 19 - ADMINISTRATIVE LEAVE. All Administrative Officers shall be eligible for Administrative Leave of 108 hours per calendar year. Administrative Officers can roll over a maximum of 40 hours of Administrative Leave at the end of the calendar year. There is no cash out of Administrative Leave.

SECTION 20 - CITY VEHICLE. The Chief of Police and Fire Chief shall be provided with a City vehicle which may be used for transportation between the City and home and for official work-related business.

SECTION 21 - WELLNESS/FITNESS.

- A. City will provide up to \$500 per fiscal year for gym memberships, nutritional memberships/counseling, meal prep services, personal fitness equipment, and body scans with proof of membership/purchase/services. The program is defined in Administrative Regulation 1086.
- B. Reimbursement equal to or not to exceed \$500 per fiscal year with proof of membership/purchase/services.

SECTION 22 – SEVERANCE.

Administrative Officers shall accrue severance at the rate of four weeks per calendar year, up to a maximum of 3-months. The accrual shall be retroactive for current Directors. In the event City determines to terminate an Administrative Officer's employment without cause, then City shall pay to the Administrative Officer that Administrative Officer's accrued severance. No severance pay will be provided if Administrative Officer's employment is terminated for cause. "Cause" shall mean any of the following:

- a. Conviction of a felony or a crime involving moral turpitude that adversely affects the City's or the Administrative Officer's reputation; or
- b. Conviction of a misdemeanor arising out of the Administrative Officer's duties or performance; or
- c. Misappropriation of public funds; or
- d. Willful abandonment of duties consisting of the failure to report to work for five (5) consecutive working days (for reasons not medically related) and not notifying the City Manager of Administrative Officer's status; or
- e. A willful and intentional failure to carry out materially significant and legally constituted policy decisions of the City Manager or City Council; or
- f. Willful destruction or misuse of City property; or
- g. Willful violation of the federal, state, or City discrimination laws concerning race, religious creed, color, national origin, ancestry, physical handicap, marital status, sex, or age concerning either members of the general public or City employee(s) while acting in the course and scope of employment and while acting without the prior approval or direction of the City Manager or City Council; or

- h. Any other intentional or grossly negligent action or inaction by the Administrative Officer that: 1) materially and substantially impedes or disrupts the operations of the City or its organizational units; 2) is detrimental to employees or public safety; 3) violates properly established rules or procedures of the City causing a material and substantial adverse impact on the City; or 4) has a material and substantial adverse effect on the City's interests as clearly defined and delineated by properly established Administrative or City Council action, policy, regulations, ordinances, or City Code provisions.

SECTION 23 – RETIREE HEALTH SAVINGS ACCOUNT.

A The City will establish a plan agreement within its existing contract for Administrative Officers to contribute employee pre-tax contributions into their individual Retiree Health Savings ("RHS") Account.

B. The City has the right to select and change, if needed, the vendor to administer and be the exclusive record-keeper for the RHS plan.

C. Contributions to the retiree health savings plan are made solely by the employee and all administrative fees for the plan will be deducted from the employee's individual account assets. The account assets that accumulate, plus investment earnings, will be used in retirement to pay health insurance premiums and other eligible out of pocket expenses such as deductibles, co-pays, dental and vision care in accordance with the Internal Revenue Code Section 213. The employee contribution will be portable if an employee should leave employment with the City prior to retirement.

1. Those promoted into the Administrative Officers' unit between 7/1/2019 and 12/31/2019 will make mandatory reduction in salary employee compensation contributions in the amount of five-percent (5%) of base earnings each pay period for the Plan Year deposited into their individual RHS accounts.

2. Those appointed (hired), or promoted into the Administrative Officers' unit beginning 1/1/2020 through 12/31/2022, and after 9/1/2023, will make mandatory reduction in salary employee compensation contributions in the amount of two-percent (2%) percent of base earnings each pay period for the Plan Year deposited into their individual RHS accounts.

3. Those promoted into the Administrative Officers' unit between 7/1/2019 and 12/31/2019 and between 1/1/2023 through 1/15/2023, and those Administrative Officers appointed (hired) to the City after 9/1/2023, will be required to deposit forty-percent (40%) of their vacation accrual bank hours at separation or retirement into their RHS account(s).

SECTION 24 - ADMINISTRATIVE REGULATIONS. The City Manager is authorized to issue written administrative personnel regulations designed to augment or clarify the provisions of this resolution.

SECTION 25 - EFFECTIVE DATE. Except as otherwise specified to the contrary in this Resolution, all provisions shall be effective as of the pay period ending July 5, 2024.

SECTION 26 - APPLICABILITY. This Resolution shall apply to any newly created Director position.

PASSED AND ADOPTED by the City Council of the City of Fountain Valley at a regular meeting on this 4th day of June, 2024.

Ayes: Constantine, Cunneen, Harper, Bui, Grandis

Nays: None

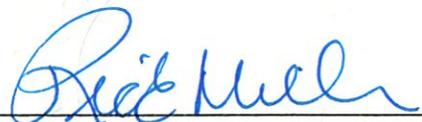
Absent: None

Abstain: None



Glenn Grandis, Mayor

ATTEST:



Rick Miller, City Clerk Administrator

APPROVED AS TO FORM

HARPER & BURNS LLP



Colin Burns
Attorney(s) for the City