

RESOLUTION NO. 16-105

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL INCREASING COMPENSATION, ADDING AND RECLASSIFYING CERTAIN JOB CLASSIFICATIONS, CHANGING ADMINISTRATIVE LEAVE ACCRUALS, CLARIFYING HEALTH IN-LIEU AND HOLIDAY PAY, AND ADDING AUTO ALLOWANCE BENEFIT TO SELECT CLASSIFICATIONS FOR MANAGEMENT, PROFESSIONAL, AND CONFIDENTIAL EMPLOYEES (THIS RESOLUTION RESCINDS RESOLUTION NO. 15-149)

WHEREAS, the City Manager has presented to the City Council of the City of Morgan Hill a recommended set of salary ranges and benefits and job classifications for the Management, Professional, and Confidential employees; and

WHEREAS, the City Council of the City of Morgan Hill has reviewed said recommendations.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morgan Hill as follows:

SECTION 1 - SALARY RANGES (Effective July 3, 2016)

- A. Effective July 3, 2016, base salaries for Groups 1-A, 1-B, 1-C, and 1-D will increase by 3.0%.

See attached Salary Schedules for FY 2016-2017.

- B. Groups 1-A, 1-B, 1-C, and 1-D base salary ranges include the employee PERS contribution which is deducted from payroll (See SECTION 3, D below.)

SECTION 2 - ESTABLISHMENT OF COMPENSATION FOR GROUPS 1-A, 1-B, 1-C, and 1-D

- A. The City Manager will establish the monthly compensation for the classifications in Group 1-A. In order to attract high quality executive managers, foster job security within a professional climate, and provide the flexibility to remain competitive within the area job market, the City Manager has authority to enter into individual employment agreements with each executive manager; provided that the terms of the employment agreement do not exceed the total compensation permitted by this Resolution.
1. Employees listed in Group 1-A may receive a severance allowance as provided for in an individual employment agreement when they are separated in good standing from employment; provided that such separation is not for cause, or for reasons listed in Government Code 19572, or for any employee who

voluntarily resigns from City service for personal reasons.

- a. The City Manager shall establish an allowance amount, not to exceed three months salary, which is determined to be in the best interest of the City.
 - b. This severance allowance is in addition to any unused vacation or administrative leave pay unused at the time of separation.
- B. Each Department Director will recommend to the City Manager the proposed monthly salary to be paid to each of the employees whose classification appears in Group 1-B, 1-C, and 1-D. Upon approval of the City Manager, the monthly salary will be set within the prescribed range for each classification. The City Manager has the authority to increase the monthly compensation for employees in Group 1-B, 1-C, and 1-D, by a maximum of 10% within the prescribed range each fiscal year based on each individual employee's performance.
- C. For employees listed in Groups 1-A, 1-B, 1-C, and 1-D, the last 2.5% of the salary range has been designated as performance pay. Employees are eligible to have their base salary set in the last 2.5% of their respective range provided they have successfully passed a 12-month probation, progressed to the end of their salary range, and receive and maintain excellent performance as identified by their performance evaluation. The criteria for excellent performance evaluations are as follows: at least half of the rating factors must be scored at the "Exceeds Expectations" and no rating factor can be scored at the "Needs Improvement" level. The employee's direct supervisor and, if applicable, the Department Director must affirm on the annual performance evaluation that individuals meet the criteria. After such time, the recommendation for performance pay will be brought to the City Manager, or City Attorney, as appropriate, for approval.
- D. Performance pay lasts for one year, and then expires. Performance pay can be established anew only if the employee's regularly scheduled annual performance evaluation continues to show no rating factor scored at "Needs Improvement" and more than half of the rating factors scored at "Exceeds Expectations."
- E. The City will contribute to a City-sponsored IRS 457 deferred compensation program of the employee's choice (ICMA or MassMutual) according to the following schedule:
1. 3% of base salary per pay period for employees who have been employed with the City for up to four years.
 2. 4% of base salary per pay period for employees who have been employed with the City from four to eight years.
 3. 5% of base salary per pay period for employees who have been employed with the City for over eight years.
 4. Alternately, employees may elect to have 3% of the employer contribution added directly to their salary. If the 3% to salary option is chosen, the employee's deferred compensation would be lowered by 3% and included in their salary wages

earned. If electing to receive the 3% towards salary rather than towards deferred compensation, employees must submit their request in writing to Human Resources by the beginning of the first pay period for a new fiscal year, or as approved by the City Manager, which election shall endure until the beginning of the next fiscal year.

- F. When it is proposed by the Personnel Officer that a new classification (titles and corresponding salaries) be created or an existing classification be changed, the City Manager shall submit justification for approval of that action to the City Council and if that action is approved, the City Manager will have the authority to administratively approve and amend the corresponding job descriptions.

SECTION 3 - CONTRIBUTIONS TO THE CalPERS RETIREMENT SYSTEM, GROUPS 1-A, 1-B, 1-C, and 1-D

For a "Classic Member" as defined by the Public Employees' Pension Reform Act of 2013 (PEPRA) and in the CalPERS retirement system:

- A.
1. Non-Safety employees (miscellaneous) listed in Groups 1-A, 1-B, 1-C, and 1-D will receive CalPERS retirement benefits under the 2.5% at age 55 plan.
 2. Safety (sworn) employees listed in Groups 1-A and 1-B, will receive CalPERS retirement benefits under the 3% at age 50 plan.
- B. For "New Members" as defined by PEPRA and in the CalPERS retirement system:
1. Non-Safety (miscellaneous) employees listed in Groups 1-A, 1-B, 1-C, and 1-D will receive CalPERS retirement benefits under the 2.0% at 62 plan.
 2. Safety (sworn) employees listed in Groups 1-A and 1-B will receive CalPERS retirement benefits under the 2.7% at age 57 plan.
- C. CalPERS defines a "New Member" as:
1. A new hire who is brought into CalPERS membership for the first time on or after January 1, 2013, and who has no prior membership in any other California public retirement system.
 2. A new hire who is brought into CalPERS membership for the first time on or after January 1, 2013, and who is not eligible for reciprocity with another California public retirement system.
 3. A member who established CalPERS membership prior to January 1, 2013, and who is hired by a different CalPERS employer after January 1, 2013, after a break in service of greater than six months.
 4. CalPERS refers to all members who do not fit the definition of a "new member" as a "classic member."

- D. Beginning with CalPERS rates effective July 1, 2013, the City and Management, Professional, and Confidential employees agreed to split future rate increases at a 50/50 ratio. This methodology will be used in subsequent years should CalPERS increase the Miscellaneous and Safety contribution rates.

SECTION 4 - HEALTH CARE CONTRIBUTIONS AND IRS 125 PLAN, GROUPS 1-A, 1-B, 1-C, and 1-D

- A. Health Care Contributions are subject to the mandatory offset provisions described below:

For **family** health care allowance, the City will pay 90% of: the total cost of the lowest cost PEMHCA medical plan plus dental.

For **employee plus one dependent**, the City will pay 96.5% of: the total cost of the lowest cost PEMHCA medical plan plus dental.

For **employee only** health care allowance, the City will pay 100% of: the total cost of the lowest cost PEMHCA medical plan plus dental.

At the time when the lowest cost medical plan plus dental coverage exceeds the \$610 health care allowance, the City shall provide 100% of: the lowest cost medical health plan plus dental.

Health in-lieu is \$610 per month if an employee waives both medical and dental coverage.

If an employee waives medical and elects dental coverage, the employee will receive \$610 health in-lieu but will pay the appropriate dental premium.

Employees listed in Groups 1-A, 1-B, 1-C, and 1-D who do not use their full health allowance may use their surplus amount for optional benefits such as vision, long term care insurance, or for participating in medical reimbursement or dependent care expense accounts. If employees do not use their surplus for optional benefits, it will be added to their salary as taxable income.

- B. The City will continue to provide coverage under the Concern Employee Assistance Program.
- C. The City will continue to offer an IRS Section 125 program.

SECTION 5 - GENERAL BENEFIT PROVISIONS, GROUPS 1-A, 1-B, 1-C, AND 1-D

The City will comply with the requirements of the City Personnel Rules and Regulations and the Fair Labor Standards Act governing the use of taking and reporting time off from work for management employees.

A. Holidays

1. The City will grant the following paid holidays to employees listed in Groups 1-A, 1-B, 1-C, and 1-D:

New Year's Day
Martin Luther King, Jr. Day
President's Day
Cesar Chavez Day
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Day after Thanksgiving
Christmas Eve
Christmas Day

One-half (1/2) day holiday to be used during the furlough period or on the last workday before the holiday.

Two floating holidays (These two floating holidays must be used during the fiscal year).

2. Holidays are with eight hours of time off; employees on alternate work schedules must use additional leave balances to receive full pay on a holiday.
3. With the approval of the employee's supervisor, employees may "float" holidays to another day within the same fiscal year provided they work on the holiday.

B. Sick Leave Accrual

1. Sick Leave credit for employees will be accumulated on the basis of eight hours of sick leave per month (96 hours per year).
2. The City will, at the end of each calendar year, pay each employee twenty-five percent of the unused sick leave earned that year unless the employee requests not to receive such a payment.
3. The balance of the unused sick leave will then be accumulated on an unlimited basis.
4. Upon retirement, 100% of the employee's unused sick leave balance will be credited to the employee's retirement eligibility. This amount would then be converted into time in service and added to the employee's retirement eligibility. (Reference - City contract with CalPERS, Section 20862.8)
5. Each employee may take 16 hours of personal leave time during the fiscal year which is charged against the current year's sick leave accrual.

6. The City Manager may negotiate establishing a leave "bank" with new employees at time of hire.

C. Vacation Leave Accrual

1. Each employee listed in Groups 1-A, 1-B, 1-C, and 1-D will be credited vacation on the basis of 120 hours per year for the first five years of City service. After five years of service, vacation will be credited on the basis of 160 hours per year.
2. The maximum accumulation of vacation will be no more than that earned for two years.
3. Additional vacation accrual will not be provided until the employee's vacation balance drops below the maximum accrual limit as of June 30 in any given year.
4. The City Manager may negotiate vacation accrual rates and/or establishing a leave "bank" with new employees at time of hire.

D. Administrative Leave, Groups 1-A, 1-B, and 1-C

1. Employees listed in Groups 1-A, 1-B, and 1-C receive and may use up to 72 hours administrative leave with pay per fiscal year.
2. Administrative leave time for employees in Groups 1-A, 1-B, and 1-C will be available for one additional year if not used in the fiscal year that it was initially available. If, however, the administrative leave time that was carried over to the following fiscal year is not used during the second year, it will be lost at the end of the second fiscal year. In effect, the maximum amount of administrative leave time that may be available to an employee at any given time is 144 hours.
3. Effective July 1, 2016, new employees who are hired during any month other than July, will initially receive prorated administrative leave hours of six (6) hours per month depending on date of hire and the hours will be banked at time of hire (i.e. employees hired in the month of August would receive 66 hours of administrative leave because they will be working a total of eleven (11) months in the fiscal year). All regular, full-time employees will receive 72 hours of administrative leave each fiscal year following their hire date. Part-time employees have prorated benefits and their total administrative leave hours will be prorated based on their position allocation (i.e. .50 FTE or .75 FTE).

E. Leave Cash Out

Employees listed in this Resolution may cash out up to 120 hours of accrued vacation, administrative leave, or a combination of the two, per calendar year. Employees must make an irrevocable election by December 1st of each year for the following calendar year stating their intent to cash out and the number of hours. Employees must request payment of the elected cash amount by November 1 of the payment year.

F. Bereavement Leave

Management, Professional, and Confidential employees shall, per occurrence, be granted Bereavement Leave when a death occurs in the employee's or spouse's immediate family. For the purpose of this section, "immediate family" is defined as: father, mother, brother, sister, spouse, natural or legally adopted child, step-child, in-laws, grandparents, and grandchildren. Up to three days of bereavement leave shall be granted when the death and service are within the State of California and up to five days when the death or service is outside the State. Bereavement Leave usage shall not be charged against the employee's Sick Leave or Vacation Time. This leave will not affect the twenty-five percent cash out of sick leave for the same calendar year. Employees may also use up to two additional days of Sick Leave to supplement their allotted Bereavement Leave if other circumstances require absence during this time.

Requests for additional Bereavement Leave beyond the allotted three or five days, shall be subject to the approval of the employee's supervisor and deducted from the employee's other leave banks. Special circumstances beyond this definition may be considered on a case-by-case basis and must be approved by the City Manager.

G. Professional Development

It shall be the philosophy of the City to encourage employees to attend classes, seminars, conferences, etc. which will enable the employee to develop professionally. Such attendance must be approved by the Department Director or the City Manager. The City may request employees who complete such a course to report or train other employees in the skills they have attained.

1. Tuition Reimbursement Program

Employees listed in Groups 1-A, 1-B, 1-C, and 1-D are eligible to receive tuition reimbursement of up to \$1,500 per fiscal year for the cost of books and tuition for classes or courses beneficial to the employee's career development. All classes must be approved in advance by the Department Director or City Manager. Reimbursement will take place upon a successful completion or passing of the course.

2. Membership Dues

For employees listed in Groups 1-A and 1-B, the City shall provide a personal membership dues reimbursement of up to \$400 per fiscal year for costs associated with joining and participating in Morgan Hill community service organizations such as Rotary or Kiwanis. Reimbursement of membership dues for community service organizations requires the prior approval by the Department Director or City Manager.

H. Life and Disability Insurance

The City shall pay the premiums for short-term disability, long-term disability, and life insurance plans.

1. Life insurance levels for employees shall be as follows:

Group 1-A	\$ 250,000
Group 1-B	\$ 150,000
Group 1-C	\$ 100,000
Group 1-D	\$ 100,000

2. Short-term disability coverage for employees in Groups 1-A, 1-B, 1-C, and 1-D shall be at the maximum rate of \$1,384 per week based on 66 2/3% of the actual weekly salary after an eight-day elimination period.
3. Long-term disability coverage for employees in Groups 1-A, 1-B, 1-C, and 1-D shall be at the maximum rate of \$6,000 per month based on 66 2/3% of the actual monthly salary after a 60-day elimination period.

I. Retirement Medical Plan

Upon retirement, employees listed in Groups 1-A, 1-B, 1-C, and 1-D may continue enrollment in the medical insurance plans provided by CalPERS without an interruption of coverage. Such enrollment will be contingent upon the employee meeting the requirements of the medical plans provided by CalPERS and paying the monthly premium to CalPERS at the employee's expense. It will be the employee's responsibility to make sure the insurance premium is paid to CalPERS before the due date. Failure to do so will result in the employee being terminated from its medical coverage.

J. Safety Employee Uniform Allowance

Safety employees in Groups 1-A and 1-B will be eligible for the following uniform allowance:

Chief of Police and Police Captain:	\$1,400
Police Support Services Manager:	\$810

K. Work Schedule

The City Manager will establish the standard work schedule for employees listed in Groups 1-A, 1-B, 1-C, and 1-D. Based on the needs of the City, the City Manager may at his/her discretion, change the work schedules of employees at any time.

L. Auto Allowance

The City Manager may establish a monthly allowance for selected employees listed in Groups 1-A and 1-B who use their personal vehicles on City business. Based on the needs of the City, the City Manager may, at his/her discretion, change the auto allowance of employees at any time. The current monthly allowance is as follows:

Assistant City Manager for Administrative Services	\$325
Assistant City Manager for Community Development	\$325
Community Development Director	\$325
Community Services Director	\$325
Economic Development Director	\$325
Finance Director	\$325
Public Works Director	\$325
Economic Development Manager	\$225
Information Services Manager	\$225
Program Administrator	\$225

M. Cell Phone Allowance

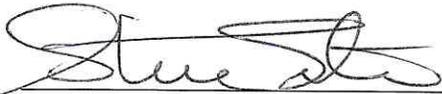
The City Manager may establish a monthly allowance for selected employees listed in Groups 1-A, 1-B, 1-C, and 1-D who use their personal cell phones on City business. Based on the needs of the City, the City Manager may, at his/her discretion, change the cell phone allowance of employees at any time. The current monthly allowance is established in Administrative Policy III019.

SECTION 6 - EFFECTIVE DATE

This Resolution shall be effective July 3, 2016. Compensation shall be made available to only those employees covered by this Resolution who are still employed as a full-time or part-time management or confidential employee with the City as of the effective date of this Resolution. As of the effective date of this Resolution, Resolution No. 15-149 shall be superseded and rescinded.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 15th day of June, 2016 by the following vote:

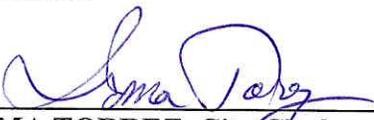
AYES:	COUNCIL MEMBERS:	Rich Constantine, Marilyn Librers, Gordon Siebert, Steve Tate
NOES:	COUNCIL MEMBERS:	None
ABSTAIN:	COUNCIL MEMBERS:	None
ABSENT:	COUNCIL MEMBERS:	Larry Carr



STEVE TATE, Mayor

DATE: 6/17/2016

ATTEST:



IRMA TORREZ, City Clerk

DATE: 6/24/2016

∞ CERTIFICATION ∞

I, **Irma Torrez, City Clerk of the City of Morgan Hill, California**, do hereby certify that the foregoing is a true and correct copy of Resolution No.16-105, adopted by the City Council at the meeting held on June 15, 2016.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: June 29, 2016



IRMA TORREZ, City Clerk

CITY OF MORGAN HILL
MANAGEMENT, PROFESSIONAL, AND CONFIDENTIAL EMPLOYEE GROUP
FY 2016-17 SALARY SCHEDULE: 3% TO WAGES

Effective 07/03/16: 3% Base Wage Increases

Job Classification	Bottom of Range Monthly	Top of Range Monthly	Performance Pay Monthly
Group 1-A: Executive Management			
Assistant City Manager for Administrative Services	\$13,013	\$16,682	\$17,099
Assistant City Manager for Community Development	\$13,013	\$16,682	\$17,099
Chief of Police	\$12,637	\$16,188	\$16,593
Community Development Director	\$12,396	\$15,888	\$16,286
Community Services Director	\$12,396	\$15,888	\$16,286
Economic Development Director	\$12,396	\$15,888	\$16,286
Finance Director	\$12,396	\$15,888	\$16,286
Public Works Director	\$12,396	\$15,888	\$16,286
Group 1-B: Middle Management			
Police Captain	\$10,908	\$13,983	\$14,333
Deputy Director for Utilities Services	\$10,696	\$13,713	\$14,056
Human Resources Director	\$10,696	\$13,713	\$14,056
Program Administrator	\$10,696	\$13,713	\$14,056
Assistant City Attorney	\$9,455	\$12,102	\$12,404
Economic Development Manager	\$9,455	\$12,102	\$12,404
Senior Civil Engineer	\$9,455	\$12,102	\$12,404
Senior Project Manager	\$9,455	\$12,102	\$12,404
Budget Manager	\$8,744	\$11,219	\$11,500
Building Manager	\$8,744	\$11,219	\$11,500
Communications and Engagement Manager	\$8,744	\$11,219	\$11,500
Community Services Manager	\$8,744	\$11,219	\$11,500
Housing Manager	\$8,744	\$11,219	\$11,500
Information Systems Manager	\$8,744	\$11,219	\$11,500
Maintenance Manager	\$8,744	\$11,219	\$11,500
Police Support Services Manager	\$8,744	\$11,219	\$11,500
Recreation Manager	\$8,744	\$11,219	\$11,500
Utility Systems Manager	\$8,744	\$11,219	\$11,500
Accounting Manager	\$8,138	\$10,437	\$10,698
Financial and Policy Analyst	\$8,138	\$10,437	\$10,698
Senior Planner	\$8,138	\$10,437	\$10,698
Community Services Supervisor	\$7,374	\$9,179	\$9,409
Council Services and Records Manager	\$7,374	\$9,179	\$9,409
Deputy City Attorney	\$7,374	\$9,179	\$9,409
Economic Development Coordinator	\$7,374	\$9,179	\$9,409
Emergency Services Coordinator	\$7,374	\$9,179	\$9,409
GIS / Land Use Data Administrator	\$7,374	\$9,179	\$9,409
Maintenance Services Coordinator	\$7,374	\$9,179	\$9,409
Older Adult Services Supervisor	\$7,374	\$9,179	\$9,409
Programmer Analyst	\$7,374	\$9,179	\$9,409
Risk Management Analyst (.50 FTE)	\$3,514	\$4,500	\$4,612
Senior Human Resources Analyst	\$7,374	\$9,179	\$9,409
Group 1-C: Confidential Exempt			
Administrative Analyst	\$7,028	\$8,998	\$9,223
Paralegal	\$6,323	\$8,117	\$8,320
Group 1-D: Confidential Non-Exempt			
Accounting Technician	\$5,606	\$7,179	\$7,358
Human Resources Assistant (.50 FTE)	\$2,195	\$2,802	\$2,872
Human Resources Technician	\$4,983	\$6,368	\$6,527

Adopted June 15, 2016

**CITY OF MORGAN HILL
 MANAGEMENT, PROFESSIONAL, AND CONFIDENTIAL EMPLOYEE GROUP
 FY 2016-17 SALARY SCHEDULE: 3% TO DEFERRED COMPENSATION**

Effective 07/03/16: 3% Base Wage Increases

Job Classification	Bottom of Range Monthly	Top of Range Monthly	Performance Pay Monthly
Group 1-A: Executive Management			
Assistant City Manger for Administrative Services	\$12,634	\$16,196	\$16,601
Assistant City Manager for Community Development	\$12,634	\$16,196	\$16,601
Chief of Police	\$12,269	\$15,717	\$16,110
Community Development Director	\$12,035	\$15,426	\$15,811
Community Services Director	\$12,035	\$15,426	\$15,811
Economic Development Director	\$12,035	\$15,426	\$15,811
Finance Director	\$12,035	\$15,426	\$15,811
Public Works Director	\$12,035	\$15,426	\$15,811
Group 1-B: Middle Management			
Police Captain	\$10,590	\$13,576	\$13,915
Deputy Director for Utilities Services	\$10,385	\$13,313	\$13,646
Human Resources Director	\$10,385	\$13,313	\$13,646
Program Administrator	\$10,385	\$13,313	\$13,646
Assistant City Attorney	\$9,180	\$11,749	\$12,043
Economic Development Manager	\$9,180	\$11,749	\$12,043
Senior Civil Engineer	\$9,180	\$11,749	\$12,043
Senior Project Manager	\$9,180	\$11,749	\$12,043
Budget Manager	\$8,489	\$10,893	\$11,165
Building Manager	\$8,489	\$10,893	\$11,165
Communications and Engagement Manager	\$8,489	\$10,893	\$11,165
Community Services Manager	\$8,489	\$10,893	\$11,165
Housing Manager	\$8,489	\$10,893	\$11,165
Information Systems Manager	\$8,489	\$10,893	\$11,165
Maintenance Manager	\$8,489	\$10,893	\$11,165
Police Support Services Manager	\$8,489	\$10,893	\$11,165
Recreation Manager	\$8,489	\$10,893	\$11,165
Utility Systems Manager	\$8,489	\$10,893	\$11,165
Accounting Manager	\$7,901	\$10,133	\$10,387
Financial and Policy Analyst	\$7,901	\$10,133	\$10,387
Senior Planner	\$7,901	\$10,133	\$10,387
Community Services Supervisor	\$7,159	\$8,912	\$9,134
Council Services and Records Manager	\$7,159	\$8,912	\$9,134
Deputy City Attorney	\$7,159	\$8,912	\$9,134
Economic Development Coordinator	\$7,159	\$8,912	\$9,134
Emergency Services Coordinator	\$7,159	\$8,912	\$9,134
GIS / Land Use Data Administrator	\$7,159	\$8,912	\$9,134
Maintenace Services Coordinator	\$7,159	\$8,912	\$9,134
Older Adult Services Supervisor	\$7,159	\$8,912	\$9,134
Programmer Analyst	\$7,159	\$8,912	\$9,134
Risk Management Analyst (.50 FTE)	\$3,412	\$4,369	\$4,478
Senior Human Resources Analyst	\$7,159	\$8,912	\$9,134
Group 1-C: Confidential Exempt			
Administrative Analyst	\$6,823	\$8,736	\$8,954
Paralegal	\$6,139	\$7,881	\$8,078
Group 1-D: Confidential Non-Exempt			
Accounting Technician	\$5,443	\$6,970	\$7,144
Human Resources Assistant (.50 FTE)	\$2,131	\$2,720	\$2,788
Human Resources Technician	\$4,838	\$6,183	\$6,338

Adopted June 15, 2016