



City of Sausalito

Compensation and Benefits Plan For the Non-Represented Employee Groups

July 1, 2023 – June 30, 2026

Resolution No.

Approved: October 17, 2023



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COMPENSATION AND BENEFITS PLAN FOR THE NON-REPRESENTED EMPLOYEE GROUPS

City Management
Safety Management
Professional and Technical

PURPOSE AND INTENT

This Resolution establishes the rules governing compensation and benefits for non-represented employees. All employee groups under this Resolution are also subject to the provisions and direction in the City's Personnel Rules.

SECTION 1 – NON-REPRESENTED EMPLOYEE GROUP

The Non-represented Employee Group is recognized as the employee group comprised of members of the City Management, Police Management, and Professional and Technical employee units. Newly hired employees in one of these employee units will be notified of membership in the Non-represented Employee Group at the time of hire.

The job positions included in the City Management, Police Management, and Professional and Technical employee units and the pay ranges established for each position therein are included in the Publicly Available Pay Schedule that is approved as part of the City of Sausalito budget for each fiscal year.

This resolution supersedes any previous resolution related to compensation and benefits for non-represented employees.

The City is committed to recruiting and maintaining a high-performing and qualified staff. The following plan provides the basis for recognition, benefits, and compensation, effective July 1, 2023 through June 30, 2026.

1.1 At-Will Employees

With the adoption of Ordinance No. 1156 on July 24, 2001, the City Council of the City of Sausalito removed Department Heads from coverage in the City's Civil Service System, thereby classifying such positions as "At-Will". The At-Will positions listed in Ordinance No. 1156 are:

Assistant City Manager
Public Works Director / City Engineer
City Librarian / Communications Director
Chief of Police
Community Development Director



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Finance Director
Recreation Director

Ordinance No. 1156 further provides that the City Manager, consistent with his/her authority under Sections 2.08.090, -100 and -110 of the Sausalito Municipal Code, may offer and enter into contracts with each new person appointed to the positions classified as At-Will in order to implement the provisions of that ordinance.

1.2 For Cause Non-Represented Employee Groups

For Cause, non-represented employees are covered in this plan under three distinct units as follows:

City Management

Human Resources Manager*
Senior Civil Engineer
Management Analyst
Resiliency and Sustainability Manager
Fee and Contract Manager
City Clerk / Administrative Analyst*
Senior Accountant*
Capital Planning and Project Manager

Police Management

Police Captain*
Police Lieutenant*
Parking Analyst
Records Supervisor / Assistant to the Chief of Police*

Professional and Technical

Accounting Technician
Senior Accounting Technician*
Deputy Clerk / Administrative Aide*
Accountant I
Accountant II
Administrative Analyst*
Community Services Manager



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*Classifications with an asterisk are privy to discussions on matters within the scope of bargaining and are, therefore, designated as Confidential under the Meyers-Milias Brown Act.

1.3 Regular Employee - Definition

A regular employee, either probationary or permanent, is defined as an employee in an authorized position who is required to be brought into membership in the State Public Employees Retirement System (PERS). Probationary or regular full-time employees shall be compensated at the monthly rates described in the annual Salary Schedule, and such employees are entitled to all employee benefits in accordance with the provisions of this resolution.

“Authorized position” means a position listed in the annual Salary Schedule that has received funding in the City’s annual budget. The creation of new positions shall require review and approval by the City Council before appointment to such positions can be made.

SECTION 2. NO DISCRIMINATION

There shall be no discrimination by the City of Sausalito, or anyone employed by the City against any employee or applicant for employment on the basis of any status protected by Federal, State or local law. The protected statuses as of July 2019 include, but are not limited to, race, color, ancestry, national origin, religion, creed, sex, gender (including pregnancy, childbirth, breastfeeding or related medical conditions), sexual orientation, gender identity, gender expression, genetic information, marital status, and military or veteran status. And, to the extent prohibited by applicable State and federal law, there shall be no discrimination because of age, handicap or medical condition.

SECTION 3. PROBATIONARY PERIOD

Original and promotional appointments to regular authorized positions that are classified as For-Cause employees shall be tentative and subject to a probationary period.

3.1 Length of Probationary Period

The probationary period for “For-Cause” employees shall be twelve (12) months for original appointments. The probationary period for promotional appointments shall be six (6) months. An employee who successfully completes a probationary period shall achieve permanent status in his/her class and shall be known as a permanent employee.

3.2 Objectives of Probationary Period



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The probationary period shall be regarded as a part of the selection process and shall be used to closely observe and evaluate the employee's work, to secure the most effective adjustment of a new employee to his or her position, and to eliminate any probationary employee whose performance does not meet the required standards of work.

3.3 Dismissal of a Probationary Employee

During the probationary period, an employee may be rejected from employment at any time by the City Manager without cause and without the right of appeal.

A probationary employee in a position to which he/she has been promoted may be reinstated at any time to the position from which the promotion elevated him/her or to a comparable position.

SECTION 4. DISCIPLINARY ACTION

4.1 Disciplinary Action of For-Cause Employees

The City Manager may take disciplinary action of suspension, dismissal, or demotion against a For-Cause employee for good cause in accordance with the reasons established in the Personnel Rules. Those affected employees may appeal that decision in accordance with the procedures established by Resolution No. 4386, Resolution of the City Council of the City of Sausalito Amending the Personnel Rules Implementing Civil Service Ordinance No. 643 and by Ordinance No. 1121, An Ordinance of the City Council of the City of Sausalito Amending Section VI, "Right of Appeal" of Ordinance No. 643 Establishing a Civil Service System.

SECTION 5. SALARIES

5.1 Pay Periods

Salaries are paid on a bi-weekly basis. Each pay period shall begin at 00:01 a.m. Sunday and continue up to and including 24:00 midnight Saturday two weeks following. Each payment shall be made not later than the Friday following the end of each payroll period and shall include payment for all earnings during that payroll period. There are twenty-six (26) pay periods per year. Benefits are deducted twice a month, in the first two pay checks in a month, twenty-four (24) times a year.

For purposes of calculating pay and benefits, the end of the year shall be defined as the last day of the last full pay period of the calendar year.



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5.2 Wages

City Management (At Will and For Cause)

- Effective July 1, 2023 the 10% reduction will be discontinued for all employees in this unit and pay ranges will be increased by 4%.
- Effective July 1, 2024, pay ranges will be increased by 2%
- Effective July 1, 2025, pay ranges will be increased by 3%

Individual employee pay range increases occur at an employee's anniversary or evaluation date and are based on merit. At the time of evaluation, employees may elect to receive a portion or all of their increase as a one-time, non-PERSable bonus instead of a pay increase.

Police Management (At Will and For Cause)

- Effective July 1, 2023 pay ranges will be increased by 4%.
- Effective July 1, 2024, pay ranges will be increased by 2%
- Effective July 1, 2025, pay ranges will be increased by 3%

Individual employee pay range increases occur at an employee's anniversary or evaluation date and are based on merit. At the time of evaluation, employees may elect to receive a portion or all of their increase as a one-time, non-PERSable bonus instead of a pay increase.

Professional and Technical

- Effective July 1, 2023 pay ranges and steps will be increased by 8%.
- Effective July 1, 2024, pay ranges and steps will be increased by 2%
- Effective July 1, 2025, pay ranges will be increased by 3%

Professional and Technical employees work a 36-hour schedule and earn overtime for time worked outside of their normal schedule. Leave hours do not count towards overtime.

5.3 Y Rate

Any employee occupying a position that is reallocated to a class, the maximum salary for which is less than the incumbent's present salary, or occupying a position in a class, the salary rate or range for which is reduced, shall continue to receive his or her present salary. Such salary shall be designated as a "Y rate".

5.4 Salary Adjustments

Adjustments, if any, in City and Police Management Unit employees' salaries shall be based on performance. If a City or Police Management Unit employee's performance meets or exceeds



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expectations additional compensation may be considered. If a City or Police Management Unit employee's performance does not meet expectations, no additional compensation will be awarded.

Section 6. HOURS OF WORK

6.1 Normal Schedule

For members of the Professional and Technical unit in positions that are not exempt from FLSA overtime provisions, the normal schedule for employees occupying full-time positions shall consist of thirty-six (36) hours to be worked within a seven (7) day work period. These employees shall receive a minimum of one-half hour up to a maximum of one hour for an unpaid lunch break during the workday; the length of the lunch break will be agreed upon by each employee's supervisor.

While the work schedule for members of the City and Police Management units and all FLSA exempt employees may generally follow the 80-hour pattern, these employees are expected to be available for additional hours as required to meet the demands of their positions.

6.2 Work Hours

The normal workday may be adjusted on an individual employee basis to allow consideration of commute, childcare or other personal matters, with the prior approval of the department head or City Manager. Flexible work hours will be accommodated if the needs of the affected departments can be met with the inclusion of the flexible schedule. The following work schedules will be considered:

- 1) "5-40" schedule: five 8-hour work days within each 40-hour work week
- 2) "4-10" schedule: four 10-hour work days within each 40-hour work week
- 3) "4-9" schedule: four 9-hour work days within each 36-hour work week

At any time that a flexible work schedule is approved by the department head or the City Manager, it will be given an agreed-upon trial period in which the effect of the schedule on the respective department will be evaluated. If the schedule negatively affects the staffing needs of the department, the approval for the flexible schedule will be rescinded.

Section 7. OVERTIME

7.1 Management Unit Members

"At Will" employees and members of the City and Police Management units are designated as "exempt employees" and are not covered by the overtime provisions of the Fair Labor Standards Act (FLSA).

7.2 Professional and Technical Unit Members



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All employees in the Professional and Technical unit are covered by the overtime provisions of the FLSA and are designated as “FLSA non-exempt employees”. Unless otherwise stated by the FLSA, all non-exempt employees who are required to work in excess of their regular work week shall be paid overtime compensation at the rate of one and one-half times the straight time rate or shall be given compensatory time off in lieu of payment at the rate of one and one-half hours off with pay for each overtime hour worked.

(a) Pre-Authorization Required for Overtime Hours

No employee may work overtime without the express prior approval of his or her department head or supervisor.

(b) Manner of Compensation for Overtime Hours

The method of compensation by overtime pay or compensation time off shall be agreed upon by the employee and the supervisor at the time of obtaining approval to work overtime.

An employee is entitled to be paid for any accumulated compensatory time on the books upon resignation or termination.

Employees in the classifications of City Clerk, Management Analyst and Senior Accountant are designated as “exempt employees” and are not covered by the overtime provisions of the FLSA.

7.3 Call Back Pay

All FLSA non-exempt employees who are called in to work outside of their regular work hours and work days shall be paid at one and one-half times the straight-time hourly rate of pay. A minimum of three (3) hours of call back pay at the one and one-half the straight-time hourly rate shall be paid for recall. Compensation shall begin at the time the initial contact is made while off duty and end when the employee has returned home. The City has the right to establish reasonable travel time for call back pay purposes between the employee’s home and the work place.

Section 8. OTHER COMPENSATION

8.1 Automobile Allowance

In addition to the regular salaries provided in the salary resolution, employees in the Management unit who use their vehicle for work purposes may be paid a car allowance in the amount of \$250.00 per month or an amount designated by their employment contract, or the employee may be assigned use of a City vehicle.

8.2 Employee Reimbursements

Combined reimbursement under this section shall be made for each employee up to two thousand dollars (\$2,000) per fiscal year. Reimbursement shall be prorated for employees working fewer than forty (40) hours or thirty-six (36) hours, per week. The educational reimbursement benefit is not available to employees working fewer than twenty (20) hours



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per week.

8.2.1 Educational Reimbursement

The City will reimburse employee receipted costs for tuition, fees and books incurred by attending educational programs/classes which are directly related to the present or known future needs of the City. To be reimbursed for such costs, the employee must submit the written request for reimbursement at least ten (10) working days prior to beginning the program/class, to the employee's department head for approval by the City Manager, and the employee must attain a passing grade of "C" or better, or a "pass" in a pass/fail program. For programs where a passing grade is not provided, presentation of a certificate of completion will be required.

An employee who has already exhausted the \$1,000 per fiscal year educational reimbursement benefit may request HR for a transfer of the employee's unused wellness funds to education or additional funding authorization from the City Manager. Provided that the City Manager is assured that sufficient educational funds are available for the remainder of the fiscal year for all other employees in the unit, and the educational activity is an appropriate expenditure for the requesting employee, the City Manager may authorize some or all of the additional educational reimbursement funding requested by the employee.

8.2.2 Wellness Reimbursement

The City will reimburse, up to \$1,000 per fiscal year, the cost of activities or products that promote personal health such as treadmills, bicycles, programs to assist with weight loss, managing stress, improving physical strength and stamina, and stopping smoking. Examples of expenses eligible for reimbursement under this section include yoga classes, fitness activities, fitness or sports equipment, gym memberships, stress management seminars, and nutrition/health information classes. Employees may not seek reimbursement for apparel, weapons or other combative devices, meal kits, financing or installment payments, expenditures related to motorized vehicles, or expenditures related to the repair of equipment purchased under this provision.

Employees understand that any portion of the education reimbursement used for wellness expenses is taxable and employees are responsible for the tax consequences of seeking such a reimbursement. Requests for reimbursement of wellness expenditures must be approved by the City Manager or their designee. The City's decision with respect to reimbursement of wellness expenditures is final and not subject to the grievance process set forth in Article 13.

8.2.3 Reimbursement Process

The employee must do the following in order to be reimbursed for such costs:



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Submit to the Department Head or City Manager a written request for reimbursement at least ten (10) working days prior to beginning the program;

Upon completion of the program/class, submit documentation that he/she has received a grade of “B” or better, or a “Pass” in a Pass/Fail program. For programs where a passing grade is not provided, the employee will be required to submit a certification of completion.

8.3 Uniform Allowance

An annual uniform allowance shall be granted as follows:

- 1) The Police Chief, Police Captains, and Police Lieutenants shall receive a uniform allowance in accordance with the provisions for uniform allowance for sworn personnel contained in the Police Association Memorandum of Understanding.
- 2) The Records Supervisor / Assistant to the Chief of Police and Parking Analyst positions in the Police Department shall receive a uniform allowance in accordance with the provisions for uniform allowance for non-sworn personnel contained in the Police Association Memorandum of Understanding.

8.4 Footwear and Safety Benefit

Employees in the classifications of Public Works Director/City Engineer, Public Works Division Manager, Planning and Project Managers, Engineers, and any other position deemed necessary by the City Manager shall receive protective footwear and other rain and safety equipment benefits. The protective footwear shall at the least meet the standard of the American National Safety Institute for approved steel-toed safety footwear. Worn footwear will be replaced at no cost to the employee through a retailer of the City’s choice, either at the direction of the City or at the request of the employee.

8.5 Longevity Pay

Effective July 1, 2010, employees shall be awarded longevity pay of 0.38% of salary per pay period after five (5) years, 0.75% of salary per pay period after ten (10) years, 1.13% of salary per pay period after fifteen (15) years and 1.5% of salary per pay period after twenty (20) years.

SECTION 9. HOLIDAYS AND OTHER LEAVE TIME

9.1 Floating Holidays

Floating Holiday hours are available to members of the Professional and Technical unit who are employed in FLSA non-exempt positions but are not available to members of the City and



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Police Management units or any other employee employed in FLSA exempt positions, as set forth in section 7.2. The Floating Holiday hours shall be taken as mutually agreed upon by the employee and the employee's supervisor and shall be taken within the calendar year in which they are earned.

Regular and probationary full-time employees are entitled to take the following ten (10) authorized holidays off work at full pay, not to exceed the normal work schedule for any one day, plus eighteen (18) hours of Floating Holiday time*:

January 1	New Year's Day
Third Monday in January	Martin Luther King Jr. Birthday
Third Monday in February	President's Day
Last Monday in May	Memorial Day
June 19	Juneteenth
July 4	Independence Day
First Monday in September	Labor Day
Fourth Thursday in November	Thanksgiving Day
Friday after 4 th Thursday in November	Day after Thanksgiving Day
December 24	Christmas Eve
December 25	Christmas Day

*Floating Holidays: 18 hours (FLSA non-exempt employees in Confidential unit only)

9.2 Administrative Leave

City and Police Management unit employees are granted eighty (80) hours of Administrative Leave per calendar year. Unused Administrative Leave has no cash value and may not be carried over into a new calendar year.

9.3 Holiday In-Lieu Leave

“At Will” and City and Police Management employees required to work on any fixed holiday or on a non-scheduled workday shall receive Holiday In-Lieu leave time. The employee may take in-lieu leave on a regular workday within two (2) weeks of that holiday, on a day mutually agreed upon by the employee and the City Manager or supervisor.

9.4 Work on a Holiday

FLSA non-exempt members of the Confidential unit who work on a scheduled holiday shall be paid at one and one-half times their normal straight-time rate for all hours worked or shall



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be granted the equivalent amount of compensatory time off. In either event, the holiday pay shall be in addition to the employee's regular salary.

SECTION 10. VACATION

10.1 Rate of Accrual of Vacation Leave

All probationary and permanent regular employees shall earn vacation at the following rates depending on years of service.

Employee Group	Years Employed by City of Sausalito	Working Hours Earned per Biweekly Pay Period	Working Hours Earned per Year
Management (City and Police)	Prior to completing 10 years	5.23	136
	After completing 10 years	6.15	160
	After completing 15 years	6.46	168
	After completing 20 years	7.39	192
Professional and Technical	Prior to completing 5 years	4.62	120
	After completing 5 years	5.23	136
	After completing 10 years	6.15	160
	After completing 20 years	6.77	176

10.2 Probationary Vacation Accrual

All probationary employees shall start earning vacation leave on the first day of the first full pay period following their appointment to a permanently authorized position. On the first day of the seventh calendar month following their appointment to a permanently authorized position, vacation shall be available to all probationary and permanent employees. Vacation shall be earned monthly and recorded in the books by the number of hours earned.

10.3 Use of Vacation Leave

All vacations must be approved in advance by the Department Head or City Manager. Vacations must be taken at times that are mutually agreed upon by employees and supervisors. It is the policy of the City that employees take their normal vacation each year; however, for reasons deemed sufficient by the City Manager or department head, an employee may take less than the normal vacation one year with a correspondingly longer vacation the following year.

Effective January 1, 2020, vacation accruals shall be capped at two hundred and forty (240) hours at the end of each calendar year. Employees may accrue leave above that cap during the calendar year. Effective the first full pay period in December each calendar year,



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employee hours above the cap will be paid out.

The City Manager may require that all Management employees must schedule and use their accrued vacation leave time.

Holidays specified in Section 9 of this resolution which fall during the employee's vacation shall not be charged as a day of vacation.

SECTION 11. SICK LEAVE

11.1 Sick Leave Accrual

All probationary and permanent full-time employees shall accrue sick leave at the rate of eight (8) hours per month.

All probationary employees shall start accruing sick leave on the first day of the first full pay period following their appointment to a permanently authorized position. On the first day of the second calendar month following their appointment, all probationary and permanent employees shall be entitled to receive sick leave with pay. Sick leave accrual is unlimited.

Upon retirement under the provisions of PERS, an employee can:

- 1) convert unused accumulated sick leave to additional service credit; *or*
- 2) be paid in cash for a maximum of four hundred and eighty (480) hours sick leave for Professional and Technical employees and six hundred (600) hours for City Management and Police Management employees and convert the remaining unused balance (excluding the number of days paid in cash) to additional service credit as specified above.

11.2 Use of Sick Leave

Sick leave may be taken for any reason permitted under Federal or State law including the following purposes:

- 1) An employee's illness or injury. Leaves of more than five (5) working days require a doctor's certificate indicating absence from work was necessary.
- 2) An employee's dental, eye or other physical or medical examination or treatment by a licensed practitioner.
- 3) Providing necessary care for an ill or injured member of the immediate family. Absences of more than three (3) working days for this reason may, at the requirement of the Department Head or City Manager, require a doctor's statement, indicating that the employee was required at home.

11.3 Workers' Compensation Benefits

If a probationary or permanent employee is injured on the job, he/she may be eligible for Workers' Compensation benefits. If the employee is unable to return to work after three (3) days, the City is reimbursed a percentage of the employee's salary. Should the employee be required to take sick leave due to this work-related injury, the dollar amount of the



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reimbursement will be divided by the employee's hourly wage rate to determine the number of hours, computed to the nearest one-quarter hour, of sick leave to be reimbursed to the employee's sick leave account.

Workers' compensation for sworn police personnel shall be as governed by the California Labor Code.

SECTION 12. MISCELLANEOUS LEAVES

12.1 Leave of Absence with Full Pay

An employee shall be granted leave of absence with full pay for: 1) jury service; 2) appearance legally required of them as a witness on behalf of the City; or 3) attendance in court resulting from their official duties. In the event an employee receives extra compensation in the form of an appearance allowance or a salary or wage allowance for such duty, any such allowance shall be endorsed over to the City. Reimbursements to the employee from outside sources for travel and meal expenses incurred while on such duty shall be kept by the employee.

12.2 Leave of Absence without Pay

Upon written request of a regular employee, the City Manager may approve in writing a leave of absence without pay for a period not to exceed six (6) months.

12.3 Family Leave

Eligible employees are entitled to take up to twelve (12) weeks of unpaid Family Medical Leave during any 12-month period in accordance with the provisions of the Family and Medical Leave Act of 1993 (federal) and the California Family Rights Act of 1991.

12.4 Bereavement Leave

In the case of death within the immediate family of an employee, the employee shall be entitled to remain absent from duty with pay in order to attend the funeral or memorial service for a period not to exceed five (5) days.

For purposes of this section, family members include spouse, parent, sibling, grandparent, aunt, uncle, niece, nephew, and registered domestic partners will be equivalent to a spouse, and step and foster parent/child relationships which have been equivalent to natural relationships will be treated the same as parents/children. Additional days may be approved by the Department Head or City Manager if warranted by special circumstances.

Leave of absence with pay because of death in an employee's immediate family is allowed



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solely for the purpose of arranging and/or attending funeral and memorial services and for attending to legal issues relating to the death. Such leave shall not be charged against vacation or sick leave to which an employee may be entitled, but shall be in addition thereto.

12.5 Catastrophic Leave

Effective April 1, 2003, the City established a Catastrophic Leave Bank to allow employees to transfer earned compensatory time or vacation leave to another employee. Such transfer of time shall be limited to situations where the recipient of the transfer is, by reason of illness or injury, threatened with the loss of earnings due to his/her exhaustion of employment benefits. Such time transfer request must be in writing, and subject to the approval of the City Manager or designee. Such approval shall not be unreasonably denied. Such transfer shall be credited to the Catastrophic Leave Bank for distribution in accordance with the City's Catastrophic Leave policy. The use or receipt of time so transferred shall not preclude possible medical separation of the recipient employee. The City reserves the right to require medical verification by a qualified medical practitioner of the recipient employee's medical condition. While on catastrophic leave, the employee shall continue to accrue benefits.

12.6 Military Leave

Employees will be granted a leave of absence without pay with appropriate seniority, pay, status and vacation as required by law for the purpose of fulfilling any required military obligation.

SECTION 13. NON-PAID STATUS

When a permanent employee is on non-workers' compensation disability leave (non-paid status from the City of Sausalito having used up all vacation, sick leave, compensatory time and catastrophic leave), no benefits will accrue, including vacation time, sick leave time and PERS service credit. However, an employee on non-workers' compensation disability leave may exchange funds equal to their disability check dollar for dollar for leave accrual hours to ensure continuation of pay and benefits.

The dollar amount of the funds equal to the amount of their disability check shall be divided by the employee's hourly equivalent wage rate to determine the number of hours of sick leave to be reimbursed to the employee computed to the nearest one-quarter (1/4) of an hour or portion thereof.



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SECTION 14. HEALTH BENEFITS

14.1 Cafeteria Plan of Benefits

The City shall maintain a Cafeteria Plan of Benefits account for each employee and credit amounts to it each bi-weekly pay period as follows.

14.1.1 Cafeteria Plan of Benefits for employees hired prior to July 1, 2012

The City shall make a direct contribution equal to the minimum employer contribution for agencies participating in the Public Employees Medical and Hospital Care Act (PEMHCA) on behalf of each active employee and qualified retiree.

The City shall continue to credit the benefits account of each employee, based upon his/her eligible and elected coverage in the amounts as listed below:

<u><i>Professional and Technical Unit</i></u>	<u><i>Per Bi-weekly</i></u>	<u><i>Health in Lieu</i></u>
<u><i>Category*</i></u>	<u><i>Pay Period</i></u>	<u><i>Per Pay Period</i></u>
For each single employee	546.40	546.40
For each employee with one dependent	991.66	546.40
For each employee with more than one dependent	1,258.05	546.40

*The City increased each category in the Cafeteria Plan by an amount equal to the cost of Life Insurance premiums

<u><i>City and Police Management Unit</i></u>	<u><i>Per Bi-weekly</i></u>	<u><i>Health in Lieu</i></u>
<u><i>Category*</i></u>	<u><i>Pay Period</i></u>	<u><i>Per Pay Period</i></u>
For each single employee	618.17	618.17
For each employee with one dependent	1,090.75	618.17
For each employee with more than one dependent	1,363.09	618.17

*The City increased each category in the Cafeteria Plan by an amount equal to the cost of Life Insurance premiums

The above amounts are inclusive of the PEMHCA statutory minimum contribution.

Effective the first full pay period in January 2024 through the last pay period in December 2024, the City shall increase each category of the Cafeteria Plan listed above by the entire sum of the premium rate increase for the year 2024 for the CalPERS Kaiser Medical Plan, up to a



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maximum 5% increase in the City contribution, and will credit the benefits account of each employee, based upon their eligible and elected coverage, each pay period, in those amounts.

Effective the first full pay period in January 2025 through the last pay period in December 2025, the City shall increase each category of the Cafeteria Plan listed above by the entire sum of the premium rate increase for the year 2025 for the CalPERS Kaiser Medical Plan, up to a maximum 5% increase in the City contribution, and will credit the benefits account of each employee, based upon their eligible and elected coverage, each pay period, in those amounts.

Effective the first full pay period in January 2026 through the last pay period in December 2026, the City shall increase each category of the Cafeteria Plan listed above by the entire sum of the premium rate increase for the year 2026 for the CalPERS Kaiser Medical Plan, up to a maximum 5% increase in the City contribution, and will credit the benefits account of each employee, based upon their eligible and elected coverage, each pay period, in those amounts.

14.1.2 Cafeteria Plan of Benefits for employees hired after July 1, 2012

The City shall make a direct contribution equal to the minimum employer contribution for agencies participating in the Public Employees Medical and Hospital Care Act (PEMHCA) on behalf of each active employee and qualified retiree.

The City shall continue to credit the benefits account of each employee hired after July 1, 2012, based upon their eligible and elected coverage, each pay period, in the amounts as listed below:

<u>Professional and Technical Unit</u>	<u>Per Bi-weekly Pay Period</u>	<u>Health in Lieu Per Pay Period</u>
For each single employee	505.58	505.58
For each employee with one dependent	904.93	505.58
For each employee with more than one dependent	1,143.74	505.58
<u>City and Police Management Unit</u>	<u>Per Bi-weekly Pay Period</u>	<u>Health in Lieu Per Pay Period</u>
For each single employee	593.37	593.37
For each employee with one dependent	1,008.99	593.37
For each employee with more than one dependent	1,254.07	593.37

The above amounts are inclusive of the PEMHCA statutory minimum contribution.

Effective the first full pay period in January 2024 through the last pay period in December 2024 the City shall increase each category of the Cafeteria Plan listed above by 90% of the premium rate increase for the year 2024 for the CalPERS Kaiser Medical Plan, up to a maximum 5%



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increase in the City contribution, and will credit the benefits account of each employee, based upon their eligible and elected coverage, each pay period, in those amounts.

Effective the first full pay period in January 2025 through the last pay period in December 2025, the City shall increase each category of the Cafeteria Plan listed above by 90% of the premium rate increase for the year 2025 for the CalPERS Kaiser Medical Plan, up to a maximum 5% increase in the City contribution, and will credit the benefits account of each employee, based upon their eligible and elected coverage, each pay period, in those amounts.

Effective the first full pay period in January 2026 through the last pay period in December 2026, the City shall increase each category of the Cafeteria Plan listed above by 90% of the premium rate increase for the year 2026 for the CalPERS Kaiser Medical Plan, up to a maximum 5% increase in the City contribution, and will credit the benefits account of each employee, based upon their eligible and elected coverage, each pay period, in those amounts.

The Cafeteria Plan shall include the following benefits options (and includes the PERS Minimum Employer Contribution for health care):

- 1 Health care insurance (employee must select this option unless evidence of comparable coverage from another source is provided)
- 2 Dental Insurance
- 3 Vision care
- 4 Life insurance and Accidental Death and Dismemberment insurance (employee must select this option)
- 5 Long-term disability insurance
- 6 Dependent care (child care, etc.) assistance reimbursement of costs: Dependent care expenses must qualify in accordance with the regulations set forth in Internal Revenue Code Section 129. The amount designated for dependent care assistance by an individual employee may not exceed \$5,000, the limit established by the IRS during each taxable year. (\$2,500 in the case of a separate return by a married individual).
- 7 Flexible spending account, subject to any IRS limitations

An employee may select more benefits than covered by the amount credited to his/her account by the City. The additional cost for such benefits shall be deducted from the employee's check in pre-tax dollars.

Any unused Cafeteria Plan benefit will be cashed out to the employee through payroll and reported as additional compensation for income tax purposes.

Probationary employees shall be placed on the rolls of the various insurance plans as soon as possible pursuant to insurance company policies.



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Employees will be eligible to receive flu shots, COVID-19 shots, and poison oak shots, and the City shall pay the cost of such shots. The City shall choose the medical clinic at which such shots will be administered.

14.2 Medical Insurance Waiver

Eligible employees who are able to secure health insurance coverage through their spouse or other source with benefits comparable to those provided through City sponsored plans may waive coverage under the City sponsored plans and may, in lieu of receiving medical insurance, elect to receive a biweekly payment equal to the Cafeteria Plan of Benefits single employee credit amount shown in Section 14.1. The employee will sign a waiver form provided by Human Resources or the City's benefits broker. Being covered at a later time by one of the City sponsored plans will be subject to the requirements of the health insurance provider chosen by the employee.

Employees selecting a medical waiver shall also continue to have the option of selecting benefits other than medical insurance under the Cafeteria Plan as outlined above in Section 14.1.

Employees who provide the City with written evidence of medical coverage through a spouse or other source comparable to the City's coverage who elect to not be covered by the City's plan may, in lieu of receiving medical insurance, elect to receive a biweekly "health in lieu payment" of the Cafeteria Plan contribution (2x per month) in effect at that given time for single employee only, as specified in Section 14.1.

SECTION 15. RETIREMENT BENEFITS

The City of Sausalito shall continue to participate in the Local Miscellaneous Employees Plan and the Local Safety Employees Plan of the California Public Employees' Retirement System (PERS). All non-represented employees shall participate in one of these plans.

15.1 Non-Safety Members PERS Plan

15.1.1 Retirement Benefits for employees hired prior to July 1, 2012 – Tier 1 Miscellaneous Employees Pension Plan

The City offers non-safety employees in these units the PERS 2.5% at 55 retirement plan with single highest year and survivor continuance plan and shall maintain said plan for the duration of this Memorandum of Understanding for employees hired prior to July 1, 2012. Such plan will be known as the City of Sausalito Miscellaneous Employees Tier 1 Pension Plan. Upon the effective date of the 2.5% at 55 retirement plan on July 1, 2003, the City increased salaries of Unrepresented Group members by eight percent (8%) in-lieu of payment of the employee's portion of the PERS contribution as provided under a plan that qualifies under Internal Revenue



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Code Section 414(h)(2). The employee shall pay the eight percent (8%) employee's required contribution towards the PERS retirement.

The parties agree that bargaining unit members will contribute through payroll deduction the PERS premium for the 1 Year Final Average Compensation enhanced PERS benefit.

15.1.2 Retirement Benefits for employees hired after July 1, 2012 – Tier 2 Miscellaneous Employees Pension Plan

The parties agree to create a second tier pension formula for bargaining unit members hired on or after July 1, 2012. The plan shall include the following major benefit provisions:

- Retirement formula 2% at 55;
- 2% COLA;
- Survivor continuance plan
- 3 year final average compensation

Such plan for bargaining unit members hired on or after July 1, 2012 will be known as the City of Sausalito Miscellaneous Employees Tier 2 Pension Plan. The employee shall pay the seven percent (7%) employees' required contribution towards the PERS retirement.

15.1.3 Retirement Benefits for employees hired on or After January 1, 2013 – PEPR Tier

For miscellaneous employees hired on or after January 1, 2013, or for those who are classified as "new" members of CalPERS as defined by the Public Employees' Pension Reform Act (PEPRA), the City shall maintain a contract with CalPERS including the following major benefit provisions:

- Retirement formula 2% at 62;
- 2% COLA;
- Survivor continuance plan
- 3 year final average compensation

Consistent with the provisions of PEPRA, employees qualifying for this pension tier will pay one half of the normal cost of their pension benefits, as such amount is determined by CalPERS.

15.2 Safety Members PERS Plan



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15.2.1 Retirement Benefits for employees hired prior to July 1, 2012 – Tier 1 Police Safety Employees Pension Plan

The contract in effect between the City of Sausalito and PERS for Police personnel provides for a 3% at 55 pension formula, which was effective November 1, 2001. The benefits include single highest year, sick leave conversion, 1959 survivors' benefit and military service credit. Effective July 1, 2003, the City increased salaries of sworn officers by nine percent (9%) in lieu of payment of the employee's portion of the PERS contribution as provided under the 414(h)(2) provision of the Internal Revenue Code. The employee shall pay the nine percent (9%) employee's required contribution toward the PERS retirement.

The parties agree that bargaining unit members will contribute through payroll deduction the PERS premium for the 1 Year Final Average Compensation enhanced PERS benefit.

15.2.2 Retirement Benefits for employees hired prior to July 1, 2012 – Tier 2 Police Safety Employees Pension Plan

The City and the Sausalito Police Association agreed to a Tier 2 Police Safety Employees Pension Plan for all employees hired after July 1, 2012. This section will be amended when the corresponding Sausalito Police Association Retirement Benefits section is revised.

15.2.3 Retirement Benefits for employees hired on or After January 1, 2013 – PEPPRA Tier

For safety employees hired on or after January 1, 2013, or for those who are classified as "new" members of CalPERS as defined by the Public Employees' Pension Reform Act (PEPPRA), the City shall maintain a contract with CalPERS including the following major benefit provisions:

- Retirement formula 2.7% at 57
- 2% COLA;
- Survivor continuance plan
- 3 year final average compensation

Consistent with the provisions of PEPPRA, employees qualifying for this pension tier will pay one half of the normal cost of their pension benefits, as such amount is determined by CalPERS.

15.3 Unused Sick Leave Conversion

The conversion of unused sick leave to PERS retirement credit under Government Code Section 20862.8 shall be made available to qualified retiring employees. This credit applies to qualified employees whose effective date of retirement is within four months of separation from employment.



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15.4 Retiree Medical Benefit

Employees who retire from City service under the provisions of the California Public Employees' Retirement System may continue receiving health insurance at their own cost under the City's health insurance plans if they so elect.

15.4.1 Retiree Medical Benefits for employees hired prior to July 1, 2012 with less than or equal to three years of service with the City of Sausalito

Current employees who have been members of the California Public Employees Retirement System through June 30, 2012, and who have less than or equal to three (3) years of service with the City of Sausalito will be entitled to an annual contribution of \$1,000 to their designated 457 Deferred Compensation Plan in lieu of relinquishing their prior Retiree Medical Benefit under preceding salary resolutions. Such contribution will occur on June 30 of the ensuing fiscal year following the completion of that full year of service. There will be no proration of this contribution in lieu of Retiree Medical Benefit for employees who sever service prior to June 30 of each fiscal year.

15.4.2 Retiree Medical Benefits for employees hired prior to July 1, 2012 with greater than three years of service with the City of Sausalito

Current employees who have been members of the California Public Employees Retirement System through June 30, 2012, and who have more than three (3) years of service with the City of Sausalito; and then, through the City of Sausalito work for a total of twenty (20) or more years, and who are of the age of fifty-five (55) years or more for miscellaneous employees, or 50 years or more for public safety employees, upon retirement, shall continue to have the cost of Kaiser, employee-only monthly health insurance premium provided by the City and paid in full by the City until death. Should the retiree select a more expensive plan, the retiree shall pay the difference. However, the retired employee shall be required to pay one hundred percent (100%) of the cost for his/her spouse and eligible dependent children if he/she desires to continue them on the policy. The spouse and eligible dependent children may continue on the policy after the death of the employee, providing the spouse pays for such continuance. All retiree medical benefits will be coordinated with Medicare and Medicaid to achieve the greatest cost savings to the City with no diminishment in the quality of medical service provided to the retiree and with no increase in cost to the retiree.

Alternatively, employees who have been members of the California Public Employees Retirement System through the City of Sausalito for twenty (20) or more years, and who are of the age of fifty-five (55) years or 50 years or more for public safety employees, upon retirement, may, in lieu of City-paid medical coverage, opt to receive a cash payment equal to the lesser of \$175 per month or the PERS Kaiser rate applicable to the retiree.



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After July 1, 2012, employees hired prior to July 1, 2012 and who have accumulated greater than three (3) years of service with the City of Sausalito may, within the ensuing thirty (30) days and no later than July 31, 2012, may relinquish their Retiree Medical Benefit in this section and opt to receive an in lieu annual contribution of \$1,000 to their designated 457 Deferred Compensation Plan. Such option is irrevocable. The City, at its sole discretion reserves the right to extend the option period, and/or re-offer this option to referenced employees.

15.4.3 Retiree Medical Benefits for employees hired after July 1, 2012

Employees who retire from City service under the provisions of the California Public Employees Retirement System may continue receiving health insurance at their own cost under the City's Health Insurance Plans if they so elect. If there are any payments due to the City under this Section, such payments must be received by the Finance Department no later than the 10th of the month for the month covered. Employees hired after July 1, 2012 are not entitled to any other Retiree Medical Benefits.

15.5 Retiree Dental Benefit

Employees who retire from City service under the provisions of the California Public Employees' Retirement System may continue receiving dental insurance at their own cost under the City's dental insurance plans if they so elect.

If there are any payments due to the City under this Section, such payments must be received by the Finance Department no later than the 10th of the month for the month covered. Failure to make payment may result in termination of the coverage.

15.6 457 Deferred Compensation Plan

Employees may elect to contribute to the City's 457 plan through a salary reduction over twenty-six (26) pay periods. In addition, beginning the first full pay period following adoption of the agreement, the City will contribute the equivalent of 1% of base pay into the deferred compensation account for each unit employee who actively contribute to a City 457 plan. Payments will be made bi-weekly and employees must have an active deferred compensation account to qualify. The maximum amount contribution shall be governed by the Internal Revenue Service regulations related to 457 plans.

SECTION 16. DURATION OF TERMS OF PLAN

The terms of this resolution shall not take effect unless and until it is approved by the City



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Council of the City of Sausalito. Following such approval, the terms of this plan shall be effective July 1, 2023 and shall remain in full force and effect to and including June 30, 2026.