RESOLUTION NO. 25-61

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, PROVIDING FOR FRINGE BENEFITS AND RELATED COMPENSATION FOR EXECUTIVE MANAGEMENT EMPLOYEES OF THE CITY OF COMMERCE

WHEREAS, City Council has set forth various fringe benefits and related compensation for Executive Management Employees of the City (prior Executive Management Fringe Benefits Resolutions); and

WHEREAS, prior Fringe Benefits Resolutions provided for amendment and-modification by City Council action and the inclusion of any changes as part of said Resolution; and

WHEREAS, pursuant to Resolution No. 17-09, the City Council incorporated all salaries, benefits, and other employment-related terms for Executive Management Employees that were approved in prior Executive Management Fringe Benefits Resolutions into a single document for the purpose of efficiency and improved management of benefits and compensation considerations; and

WHEREAS, pursuant to Resolution No. 19-119 the City Council has agreed to provide additional fringe benefits to Executive Management employees which include changes to vacation leave and physical examinations.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, DOES HEREBY FIND, DETERMINE, AND RESOLVE AS FOLLOWS:

SECTION 1. PURPOSE

The purpose of this resolution is to consolidate the presentation of fringe benefit information by incorporating previously adopted resolutions concerning Executive Management into a single document. By adopting this Resolution, it is the City Council's intent that all prior Executive Management Fringe Benefits Resolutions be superseded.

SECTION 2. DEFINITIONS

As used herein, the following terms shall have the following meanings:

"Classic employees" refer to all existing CalPERS members as of December 31, 2012, that will retain the existing benefit levels for future service with the same employer.

"Classification" shall mean a group of positions having sufficiently similar duties, responsibilities, and qualifications to be designated by the same descriptive title, and as to which the same salary range may be made to apply with equity.

"Employee" shall mean a full-time budgeted Executive Management employee of the City of Commerce.

"Employment Date" shall mean the period of continuous full-time employment from and after such employment date, which shall be used in computing sick leave and vacation and shall be the starting point for determining salary step increases.

"Executive Management Employee" shall mean an unrepresented management employee who is the head or assistant of a City Department and others as specified in this resolution. Employees who are in the following classifications shall be considered Executive Management: Director of Public Safety & Community Services, Director of Human Resources, Director of Public Works, Director of Economic Development and Planning, Deputy Director of Economic Development and Planning, Deputy Director of Engineering Services, Deputy Director of Public Works Operations, Director of Finance & Treasurer, Assistant Director of Finance, Director of Parks and Recreation, Parks and Recreation Assistant Director, Director of Library Services, Director of Transportation, Director of Administrative Services & City Clerk, and similar Classifications as they may be added or amended over time.

"Retiree" shall mean an Executive Management employee who retires from CalPERS and City employment on approximately the same date. Former City employees who retire from another state or local agency shall not be eligible for any of the benefits set forth in this resolution, including all retirement and longevity benefits, irrespective of prior service with the City.

SECTION 3. COMPENSATION

a) Salary Schedules will be established based on the approved general wage increases in this section and based on the 2015 salary schedules, attached herein.

b) Effective July 1, 2023, the salary schedule for all Executive Management Employees shall be increased by three and a half percent (3.5%). Effective July 1, 2024, the salary schedule for all Executive Management shall be increased by three and three quarter's percent (3.75%). Effective July 1, 2025, the salary schedule for all Executive Management Employees shall be increased by four percent (4%).

c) Effective July 1, 2023, each Executive Management Employee shall receive a one-time ad hoc, off-salary schedule, non-PERS-able lump sum payment in the amount of eight percent (8%) of the employee's scheduled salary as of July 12, 2023. This one-time payment shall be an off-salary schedule payment issued as a separate check from regular payroll payment and shall not be reflected on the City's pay or salary schedules and shall not be the basis upon which future salary increases will be calculated. Employees who are active, Full-Time, Regular Executive Management employees on June 27, 2023, except those employees on administrative leave or serving in an acting or interim capacity, will be eligible for the lump sum payment.

d) An Executive Management Employee who receives an "Outstanding" rating on their annual performance evaluation will receive a one-time non-PERS-able bonus of $1,000.00.

SECTION 4. RETIREMENT

a) EMPLOYEES HIRED BEFORE JANUARY 1, 2013 OR EMPLOYEES HIRED AFTER JANUARY 1, 2013 AND CONSIDERED TO BE A "CLASSIC" EMPLOYEE
The City contracts with the State of California Public Employees Retirement System (CalPERS) for the classifications contained in this Agreement. The plan shall include the following options:

1. Miscellaneous Employees - 2% @ 55 retirement formula (Government Code §21354);

2. Single highest year final compensation (Government Code §20042);

3. Post Retirement Survivor Allowance (Government Code §21624/21626);

4. Credit for Unused Sick Leave (Government Code §20965);

5. Pre-Retirement Option 2W Death Benefit (Government Code §21548);

6. Post-Retirement Survivor Allowance to Continue After Remarriage (Government Code §21635);

7. Pre-Retirement Death Benefits to Continue After Remarriage of Survivor (Government Code §21354);

8. 2% Annual Cost-of-Living Allowance Increase (Government Code §21329);

9. $500 Retired Death benefit (Government Code §21620);

10. Prior Service (Government Code §20055);

11. Supplemental SSA Coordination;

12. Effective July 1, 2015, Executive Management Employees shall contribute an additional 2.4% of their compensation earnable (as defined in Government Code Section 20636) toward the employee's normal member contribution (as defined in Government Code Section 20677). The total employee contribution shall be 7.0%.

b) <u>NEW CALPERS MEMBERS HIRED ON OR AFTER JANUARY 1, 2013 ALSO CALLED PEPRA NEW MEMBERS</u>

The City contracts with the State of California Public Employees Retirement System (CalPERS) for the classifications contained in this Agreement. The plan shall include the following options:

1. Miscellaneous Employees - 2.0% @ 62 retirement formula (Government Code §7522.20);

2. Three (3) year average final compensation period (Government Code §20037);

3. Effective July 1, 2015, New Members shall contribute at least 50% of the total normal cost rate as defined by CalPERS or the current rate of similarly situated employees, whichever is greater.

4. All of the benefits listed above in Section a), numbers 3 to 12.

c) <u>SOCIAL SECURITY</u>

The City deducts from each employee's paycheck an amount as determined by law for the Federal Insurance Contributions Act (Social Security). In addition, the City contributes an additional amount at least equal to the employee's contribution.

d) <u>MEDICARE REIMBURSEMENT</u>

The City will reimburse retirees the Standard Medicare Premium for Medicare Part B (Medical Insurance) for Executive Management Employees and their spouse or domestic partner. The City shall continue reimbursement of these premiums to the spouse or legal domestic partner of the retiree after the death of the retiree.

e) <u>HEALTH INSURANCE</u>

The City's contribution to the City's Health Plan (Premium Only Plan) shall be the premium rates for "Other Southern California" Blue Shield Access+ health rates which shall include the PEMHCA minimum contribution as published by CalPERS for the designated health insurance plans. In no event shall the City's contribution under the City's Health plan exceed the "Other Southern California" Blue Shield Access+ health rate of the eligible benefit categories (i.e., single, 2-party, Family).

f) <u>DENTAL PLAN</u>

The City shall provide dental insurance coverage to active employees and retirees and/or eligible dependents. The dental plan offered to retirees will be the same plan offered to active employees. The City shall pay the entire premium on behalf of the employee/retiree and eligible dependents as applicable.

g) <u>VISION PLAN</u>

The City shall provide vision coverage to active employees and retirees and/or eligible dependents. The vision plan offered to retirees will be the same plan offered to active employees. The City shall pay the entire premium on behalf of the employee/retiree and eligible dependents as applicable.

h) <u>LONGEVITY STIPEND FOR EMPLOYEES HIRED BEFORE JULY 1, 2011 RETIRING ON OR BEFORE DECEMBER 31, 2011</u>

The City shall make a longevity stipend available to an employee who was hired before July 1, 2011, and who concurrently retires from the City of Commerce and with the State of California Public Employees Retirement System (CalPERS) on or before December 31, 2011. The longevity stipend shall be deposited on a monthly basis into the retiree's Retiree Healthcare Reimbursement Plan (Retiree HRA Plan).

The City's monthly longevity stipend to the Retiree HRA Plan shall be the difference between the premium cost of coverage for the retiree and/or eligible dependents (when applicable) minus the

PEMHCA minimum contribution. The longevity stipend shall be based on the cost of coverage for retiree and/or eligible dependents under the medical plans sponsored by CalPERS. The stipend shall be based on the tier of coverage (i.e., single, plus one/two-party or family) and actual plan cost.

The parties agree that the longevity stipend for employees hired before July 1, 2011, and who retired on or before December 31, 2011, has matured and that the City shall not change the stipend in the future.

i) <u>LONGEVITY STIPEND FOR EMPLOYEES HIRED BEFORE JULY 1, 2011</u>

The City shall make a longevity stipend available to an employee who was hired before July 1, 2011, and who concurrently retires from the City of Commerce, as described in this Section, and with the State of California Public Employees Retirement System (CalPERS). The City shall make a longevity stipend payment on a monthly basis to the retiree's Retiree Healthcare Reimbursement Plan (Retiree HRA Plan).

The City's monthly longevity stipend to the Retiree HRA Plan shall not exceed the premium rate for the "Other Southern California Region" Blue Shield Access+ health rates which shall include the PEMHCA minimum contribution for each eligible category (i.e., single, two-party, family) of the Blue Shield Access+ Plan or equivalent, and dental and vision offered by the City. Eligible employees who, upon retirement from the City and CalPERS, elect not to participate in this benefit due to being covered under a separate plan may receive the longevity stipend if coverage under the separate plan is terminated.

Until this resolution is modified or updated, the City shall not eliminate or reduce the longevity stipend for employees covered under this section (i).

This Section does not change the provisions of City Policy V-9, Health and Hospitalization Insurance Plan. To the extent that any changes are to be made to the Longevity Stipend, the parties shall be required to comply with the requirements of the Meyers-Milias Brown Act (Government Code Section 3500 et.seq.) and any other applicable state or federal law.

Full-time employees who were previously part-time employees and who have worked 1000 hours or more in a fiscal year (during their part-time service) shall receive one-half year of employment credit for each fiscal year in which they work 1000 hours or more.

j) <u>LONGEVITY STIPEND FOR EMPLOYEES HIRED ON/AFTER JULY 1, 2011.</u>

Employees hired by the City on or after July 1, 2011, and who meet the eligibility requirements for retiree health insurance are eligible to continue in the City's group health insurance program. The City's maximum contribution towards retiree coverage under this subsection shall be the PEMHCA minimum contribution as determined by CalPERS on an annual basis.

Eligible employees, who, upon retirement from City employment and CalPERS, elect not to participate in this benefit due to being covered under a separate plan, may receive the longevity stipend if coverage under the separate plan is terminated. Employees who meet the criteria described below shall be eligible to receive a longevity stipend upon concurrent retirement from the City and CalPERS. The longevity stipend payment shall be deposited on a monthly basis into the retiree's Healthcare Reimbursement Plan (Retiree HRA Plan).

During the term of this agreement, the maximum City total longevity stipend payment (for 10 years or more of full-time, consecutive City Service) shall not exceed the premium rate for the "Other Southern California Region" Blue Shield Access+ health rates which shall include the PEMCHA minimum contribution for each eligible category (i.e. single, two- party, family) of the Blue Shield Access + Plan and dental and vision offered by the City.

≥ 5 years of full-time City service	50% + additional 10.0% for each additional year of City service above 5 years (e.g., 7 years = 70%)
≥10 years of full-time City service	100%

This Section does not change the provisions of City Policy V-9, Health and Hospitalization Insurance Plan. To the extent that any changes are to be made to the Longevity Stipend for Future Employees, the parties shall be required to comply with the requirements of the Meyers-Milias Brown Act (Government. Code Section 3500 et.seq.) and any other applicable state or federal law.

During the life of this resolution, the City shall not eliminate or reduce the longevity stipend for employees covered under this section (j).

Full-time employees who were previously part-time employees and who have worked 1000 hours or more in a fiscal year (during their part-time service) shall receive one-half year of employment credit for each fiscal year in which they work 1000 hours or more.

SECTION 5. **457 DEFERRED COMPENSATION PROGRAM**:

1. The City shall contribute $25.00 per pay period to each employee’s deferred compensation plan whether or not the employee contributes to the plan.

2. The City shall match employee deferred compensation contributions, in an amount not to exceed 3% of the employee’s gross salary contribution per pay period. For example, if an employee contributes 1% of gross salary to the plan, the City shall contribute an amount equal to 1% of gross salary. If the employee contributes more than 3% of the employee’s gross salary per pay period, the City shall pay an additional contribution equal to 5% of that portion of the employee’s contribution that exceeds 3% of the employee’s gross salary per pay period.

3. Compliance with State and Federal Regulations **–** If any of these provisions conflict with any State or Federal statues or regulations, the State and Federal statutes and regulations shall take precedence and shall be complied with.

4. Exclusions – the 3% City contribution described above shall apply only to employee gross salary deferred compensation contributions made during each payroll period. The 3% City contribution shall not be provided for any employee deferred compensation contributions that are made as a result of a “buy back” as that term is defined by the Internal Revenue Service Code or applicable regulations.

Additionally, the 3% City contribution shall not be applied to any employee deferred compensation contributions that are made as a result of converting any type of leave balance to deferred compensation.

SECTION 6. LIFE INSURANCE

a) Executive Management employees shall be provided a Group Basic Life and Accidental Death & Dismemberment Insurance policy in an amount equal to their annual salary up to $150,000. Additional details are available in Life Insurance Policy (V-11).

b) A voluntary employee-paid Life insurance policy shall be offered to Executive Management Employees. Employees may purchase an amount of insurance up to $300,000 in multiples of $10,000. Employees may cover their spouse up to $300,000 in multiples of $10,000. Amounts of insurance for dependent children are $2,000, $5,000 or $10,000. Guarantee Issue amounts are $70,000 for members, $10,000 for Spouse and $10,000 for Children during the original eligibility period. Late entrants are required to provide evidence of good health regardless of the amount selected.

SECTION 7. SHORT AND LONG TERM DISABILITY INSURANCE

The City shall provide Executive Management employees with Group Short Term and Long Term Disability Insurance. If an Employee becomes disabled, the City paid coverage will pay the Employee a percentage of their basic monthly earnings, subject to a maximum amount and the following waiting period requirements:
29 days for short term disability, and 180 days for long term disability.

SECTION 8. PHYSICAL EXAMINATIONS

Executive Management Employees and their spouse or registered domestic partner shall receive one (1) City-paid comprehensive physical medical examination from Scripps Center for Executive Health per fiscal year. The City shall pay the cost of the “Whole Person Examination” and shall cover the cost of lodging for one night for purposes of completing the examination.

SECTION 9. VACATION ACCRUAL AND CASH-OUT

a) Vacation Leave.

1. Vacation Accrual - Executive Management Employees shall accrue vacation according to the following schedule:

Continuous Years of Service	Vacation Hours Earned
Upon Hire/ Appointment	10 hours per month/120 hours per year
8 years, 1 month – 13 years	12 hours per month/144 hours per year
13 years, 1 month – 20 years	13.33 per hours month/160 hours per year
20 years, 1 month +	16.67 hours per month/200 hours per year

2. The City Manager may authorize up to four (4) weeks of vacation accrual (13.33 hours per month) upon hire or appointment if the Executive has fifteen (15) years of public agency experience, with at least five (5) years in a Division Manager or Director/Assistant Director capacity.

3. Vacation Accumulation **-** The City's four-hundred eighty hour (480) maximum accumulation policy will be enforced by scheduling vacations to eliminate excess accumulation. Please refer to City of Commerce Personnel Policies and Procedures, Vacation Policy, for specific terms and policy.

   When through work circumstances and needs of the job, an Employee has been unable to utilize vacation time and this has not been a pattern or practice for that Employee, the City Manager, for good cause, may approve excess accumulated vacation carried forward into the next fiscal/calendar year. Please refer to City of Commerce Personnel Policies and Procedures, Vacation Leave Policy (V-1) for specific terms and policy.

b) Vacation Cashout.

Executive Management employees may cash out up to sixty (60) hours of earned and accumulated vacation leave per fiscal year.

SECTION 10. **SICK LEAVE**

Executive Management Employees shall earn eight (8) hours sick leave per month for each full month of continuous service with the City. Please refer to City of Commerce Personnel Policies and Procedures, Sick Leave Policy (V-7), for specific terms and policy.

SECTION 11. **BEREAVEMENT LEAVE**

Refer to City of Commerce Personnel Policies and Procedures, Bereavement Leave Policy (V-3) for specific terms and policy.

SECTION 12. **MANAGEMENT/ADMINISTRATIVE LEAVE**

Executive Management Employees shall be provided eighty (80) hours of Administrative Leave per fiscal year on a pro-rata basis as determined by the City Manager. This determination shall be based upon work circumstances, needs of the position, and frequency of required attendance at after-hour meetings and conferences. Such leave time is not accumulable, nor will compensation be paid in lieu thereof under any circumstances. When through work circumstances and needs of the job, an Employee has been unable to utilize Administrative Leave and this has not been a pattern or practice for that Employee, the City Manager, for good cause, may approve excess accumulated Administrative Leave carried forward in the next fiscal year.

SECTION 13. **FLEXIBLE LEAVE.**

Please refer to City of Commerce Personnel Policies and Procedures, Holidays and Flexible Leave Policy (V-6) for specific terms and policy.

SECTION 14. **WORKERS' COMPENSATION**

Refer to City of Commerce Personnel Policies and Procedures, Workers' Compensation Policy (VI-4) for specific terms and policy.

SECTION 15. **JURY LEAVE/SUBPOENAED WITNESS LEAVE**

Refer to City of Commerce Personnel Policies and Procedures, Jury/Subpoenaed Witness Policy (V-16) for specific terms and policy.

SECTION 16. MILITARY LEAVE

Refer to City of Commerce Personnel Policies and Procedures, Leave of Absence Policy (V-4/1) for specific terms and policy.

SECTION 17. LEAVE DEDUCTIONS

Executive Management Employees shall not be deducted leave time (either sick, vacation, flexible, or administrative leave as appropriate) for absences from work for periods of less than two hours. Under extenuating circumstances, the City Manager shall have the authority to approve absences up to four hours without requiring a charge against an employee's leave bank.

SECTION 18. HOLIDAYS

Executive Management Employees shall be provided with the following holidays with pay subject to the provisions of the City's Personnel Policies and Procedures Holidays and Flexible Leave (V-6).

New Year's Day	Labor Day
Martin Luther King Day	Veteran's Day
*Lincoln's Birthday (2nd Monday in Feb)	Thanksgiving Day
Washington's Birthday	Day after Thanksgiving
Memorial Day	Christmas Day
Independence Day	Employee's Birthday

*Lincoln's Birthday holiday will be converted to flex leave hours at the beginning of the calendar year. On or around December 31, 2023, the Lincoln Holiday for the subsequent calendar year will be converted to flex leave. If an employee is hired on or after the second Monday of February of each year, the employee will not be granted with the flex leave in lieu of the Lincoln Holiday for that calendar year

Executive Management employees will be eligible to participate in the City's Holiday Closure program for two weeks, as approved by City Council, around the Christmas Day and New Year day holidays. The Holiday Closure Program may be revoked at any time with Council action.

SECTION 19. SEVERANCE PAY

An Executive Management Employee whose position is abolished or vacated by a reduction in workload or lack of funds, or who is involuntarily removed from their position will receive, upon termination, severance pay. Severance pay, as authorized by the City Manager, shall be a lump sum payment, and will be provided as follows:

- Four (4) months of salary for service under three years.
- Five (5) months of salary for three or more years of service.
- Six (6) months of salary for five or more years of service.

Salary for purposes of calculating severance pay shall be the employee's base salary as of the date of separation. The displaced Employee shall also receive paid health/dental and vision insurance (at the Employee's current coverage) in addition to any coverage remaining in the month of layoff or termination. The amount of paid health/dental/vision insurance coverage shall be equal to the length of the severance pay that was granted under this paragraph. In consideration of receipt of this benefit, the terminated Executive Management Employee will be required to sign an agreement provided by the City Attorney.
*Including Executive Managers

SECTION 20. **COMPUTER PURCHASE PROGRAM**

See the Employee Computer Purchase Assistance Program in the City's Standard Operating Procedures Manual.

SECTION 21. **VEHICLE ASSIGNMENT OR MONTHLY STIPEND**

The City Manager may elect to temporarily assign a City vehicle to an Executive Management Employee consistent with policy VI-2 Vehicle Use Policy,

ALTERNATE VEHICLE STIPEND/REIMBURSEMENT:

As approved by the City Manager, the Executive Management Employee may elect to accept a vehicle stipend/reimbursement of $500 per month in order to reimburse them for the required use of their personal vehicle for City business. Those receiving this stipend shall not be assigned a take-home City vehicle.

Executive Management members that elect to receive such stipend, at their discretion, may also have access to a City vehicle if they are required to travel outside of the Los Angeles area, more than 75 miles from City Hall. If the Executive Management Employee is required to travel 75 miles beyond City Hall and does not elect to use a City vehicle, the employee shall be entitled to reimbursement for the mileage put on their personal vehicle; the total mileage shall be measured from City Hall and shall be reimbursed at the current IRS vehicle mileage reimbursement rate beyond the 75 mile point. As an example: if the trip is a total of 200 miles round trip, then the reimbursement will be for 50 miles (discounting 75 miles traveled each way per the City's Travel procedures).

SECTION 22. OPTIONAL CELL PHONE STIPEND/REIMBURSEMENT

An optional cell phone stipend/reimbursement (up to $80 per month) is available to Executive Management employees, in lieu of a City-issued cell phone.

SECTION 23. EMPLOYEE ASSISTANCE PROGRAM (EAP)

The City pays 100% of the monthly premium for Executive Management Employees and eligible household member for EAP. Service is available 24 hours a day, year-round. Free confidential brief counseling sessions and referral services are designed to allow employees and household members to resolve personal matters that may impact their work or home life.

SECTION 24. ADMINISTRATIVE TIME

The City of Commerce is phasing out Administrative Time and has agreed to "grandfather" in only those represented full-time employees currently receiving the benefit at this time. Future full-time employees shall not be eligible for this benefit.

Effective July 19, 2023, Admin Time for Executive Management (including the City Manager and Assistant City Manager) will be eliminated and in lieu of this Admin Time benefit, Executive Management (including the City Manager and Assistant City Manager) will receive a one-time non-PERSable payment equaling 7.5% of the Executive management employee's base salary. The cash payout must be requested by the employee and paid out to the employee within the 2023-2024 fiscal year.

SECTION 25. FRINGE BENEFITS – ELIGIBILITY

Executive Management Employees, as defined in Section 2, with the exception of temporary appointments, shall be entitled to receive the benefits provided by the City of Commerce as specified in this Resolution.

SECTION 26. PRIOR RESOLUTIONS

This Resolution shall consolidate all prior Executive Management Fringe Benefits Resolutions into a single source reference enabling better management and administration of employment benefits for affected Employees. The adoption of this Resolution supersedes all prior resolutions referenced within this document, including Resolution No. 14-17-09 and No. 19-119

SECTION 27. AMENDMENTS

Any modifications or amendments to the terms of this Resolution shall be implemented by a City Council-approved Resolution directing inclusion of the modification or amendment as part of this Resolution.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE DOES HEREBY RESOLVE, DECLARE AND DETERMINE AS FOLLOWS:

Section 1. The City Council of the City of Commerce hereby finds and declares that the foregoing recitals are true and correct and incorporates them herein as findings and as a substantive part of this Resolution.

Section 2. The modifications related to fringe benefits and compensation, is hereby approved.

Section 3. Authorize the Mayor to execute the Resolution for and on behalf of the City of Commerce.

Section 4. The City Clerk shall certify to the adoption of this Resolution.

Section 5. This Resolution shall take full force and effect immediately upon adoption by the City Council.

PASSED, APPROVED AND ADOPTED this 14th day of October 2025.

____
Ivan Altamirano, Mayor

ATTEST:

____
Lena Shumway
City Clerk