

GARDEN GROVE CITY COUNCIL

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE ESTABLISHING SALARIES, FRINGE BENEFITS AND EXEMPTING CENTRAL MANAGEMENT CLASSIFICATIONS FROM MUNICIPAL CODE SECTION 2.44.390 AND OVERTIME, AND ADJUSTING THE CITY MANAGER BASE SALARY.

WHEREAS, Chapter 2.44 of Title 2 of the Garden Grove Municipal Code, revised, Volume 1, provides that the City Council shall by resolution: (1) establish salary ranges and salary rates and the allocation of classes thereto; and (2) set forth the classification of full-time positions in the various City departments and offices;

BE IT RESOLVED that the City Council does hereby rescind Resolution No. 9436-17; and

BE IT FURTHER RESOLVED that the City Council does establish the following:

SECTION 1: CENTRAL MANAGEMENT CLASSIFICATIONS

For purposes of this Resolution, Central Management positions are identified as follows:

<u>Classification</u>	<u>Salary Range</u>
Assistant City Manager	C255
Community Development Director	C245
Community Services Director	C240
Economic Development Director	C245
Finance Director	C245
Information Technology Director	C240
Human Resources Director	C240
Police Chief	C258
Public Works Director	C245
Deputy City Manager	C240

SECTION 2: SALARIES

Effective in the pay period following July 1, 2019, all members of the Central Management group shall receive a two and one-half percent (2.5%) increase to base salary.

Effective in the pay period following July 1, 2019, Step H on the salary schedule shall be five percent (5%) higher than Step G.

Effective in the pay following July 1, 2020, all members of the Central Management group shall receive a two and one-half percent (2.5%) increase to base salary.

Effective in the pay period following July 1, 2021, Step I (a five percent (5%) step) on the salary schedule is created. All members of the Central Management group, who on July 1, 2021 are at Step H for at least one year, will move to Step I effective on the first day of the pay period following July 1, 2021. All members of the Central Management group, who on July 1, 2021 have not been at Step H for at least one year, will be eligible to move to Step I on the first day of the pay period in which their next anniversary date occurs.

### SECTION 3: FRINGE BENEFITS

Unless otherwise provided, benefits and leave policies as offered in the Middle Management group will be offered to the classifications listed in this Resolution.

Central Management employees are not eligible for any education incentive programs offered by the City, but are eligible to participate in the Tuition Reimbursement Program.

Central Management employees who meet the same qualifications for the vacation buy-back provision shall have the option to use this benefit any time during the calendar year.

Central Management employees are eligible for an executive medical (physical) examination on an annual basis, to be provided by the City if requested. Central Management employees also receive the executive long-term disability insurance benefit.

### SECTION 4: RETIREMENT PLAN

#### A. Retirement Formula

- (1) Central Management employees who are regarded as "classic members" by the Public Employees' Pension Reform Act of 2013 (PEPRA) are covered by the 2.5% @ 55 formula (Government Code section 21354.4) or 3% @ 50 formula (Government Code section 21362.2) for the

designated sworn employees (Police Chief). "Classic member" is generally any member hired before December 31, 2012 as well as any member hired after January 1, 2013 who is a lateral hire from another PERS agency, public agency with reciprocity or a member who has had less than a six month break in service from his/her previous public agency employment.

- (2) Central Management employees hired on or after January 1, 2013 who are defined as "new members" under the PEPR, are covered by the 2% @ 62 formula (Government Code section 7522.20) or 2.7% @ 57 formula (Government Code section 7522.25(d)) for the designated sworn employees (Police Chief).

B. Employee Contributions to the Retirement System

- (1) Employees subject to the 2.5% @ 55 Formula:

These employees shall contribute eight percent (8%) as an employee retirement contribution.

- (2) Employees subject to the 3% @ 50 Formula:

These employees shall contribute twelve percent (12%) as an employee retirement contribution. The twelve percent (12%) shall be comprised of nine percent (9%) of compensation earnable as the required CalPERS member contribution and three percent (3%) of compensation earnable per Government Code section 20516(a). All 12% shall be reported as member contributions and credited to members' accounts.

- (3) Employees subject to the 2% @ 62 or 2.7% @ 57 Formulas:

Per the PEPR and Government Code section 20516.5 these employees shall contribute the statutorily mandated employee contribution rate as determined by CalPERS for the City. The City will receive the normal cost rate from CalPERS in its annual valuation report which will also include the rate (which is in quarter of a percent increments) at which new members will be charged for their employee/member contribution.

- C. The City has adopted the CalPERS resolution in accordance with and as permitted by IRS Code section 414(h)(2) to ensure that the employee contribution (i.e., "pick-up" as that is the term used in section 414(h)(2)) is made on a pre-tax basis.

D. The City currently contracts with PERS for the following benefits to the miscellaneous retirement plan.

- 1) Section 21354.4 (2.5% at 55 Full formula for local miscellaneous members).
- 2) Section 20042 (Highest Year).
- 3) Section 20965 (Credit for Unused Sick Leave).
- 4) Section 21329 (2% Annual Cost-Of-Living Allowance Increase).

E. Pursuant to the Public Employees' Pension Reform Act of 2013 (PEPRA) and notwithstanding any provision of any other City Council Resolution, any new member employee, as defined by PEPRA, who is hired on or after January 1, 2013, shall be subject to the following retirement benefits:

For Non-Safety Employees

Government Code Section 7522.20 (2% @ 62 retirement formula).

Government Code Section 20037 (final compensation rate used to calculate pension benefit is average of member's highest annual pensionable compensation over a consecutive 36 month period).

For Safety Employees

Government Code Section 7522.25(d) (2.7% @ 57 retirement formula).

Government Code Section 20037 (final compensation rate used to calculate pension benefit is average of member's highest annual pensionable compensation over a consecutive 36 month period).

SECTION 5: POLICE CHIEF

- 1) General Provision

The Police Chief will receive a bank of 125 hours, which is paid in-lieu of holiday leave for each of the holidays as designated below in subpart 4 of this subsection. To the extent permitted by law, this additional compensation will be paid as the holiday occurs and shall be reported to PERS as Special Compensation pursuant to Title 2, Division 1, Chapter 2 of the California Code of Regulations, specifically § 571 (a)(5) – for classic members as Statutory Items, Holiday Pay.

2) Part-Year Employment

A Police Chief who commences employment at a time other than the beginning of a calendar year shall only be entitled to receive those holidays described in subpart 4 of this subsection that occur during the period actually worked.

3) Effect of Unpaid Leave of Absence

A Police Chief who is on an unpaid leave of absence during any holiday designated in subpart 4 of this subsection is not entitled to receive any holiday benefits for that holiday.

4) Designated Holidays for Police Chief

January 1<sup>st</sup> (New Year's Day)  
Third Monday of January (Martin Luther King Jr. Day)  
Third Monday of February (President's Day)  
Last Monday of May (Memorial Day)  
July 4<sup>th</sup> (Independence Day)  
First Monday in September (Labor Day)  
November 11<sup>th</sup> (Veteran's Day)  
Fourth Thursday in November (Thanksgiving Day)  
The Day after Thanksgiving  
December 24<sup>th</sup> (Christmas Eve)  
December 25<sup>th</sup> (Christmas Day)  
December 26<sup>th</sup> (Day after Christmas)  
December 30  
December 31<sup>st</sup> (New Year's Eve)

#### SECTION 6: ADDITIONAL ASSIGNMENT PAY

The City Manager may authorize additional Management Incentive Premium compensation of up to five percent (5%) over base pay to an employee who has assumed additional job duties due to a vacant position, long-term leave of absence, or a reorganization. The assignment and duration of this additional pay shall be at the sole determination of the City Manager.

To the extent permitted by law, Management Incentive Pay will be reported to CalPERS as special compensation per Title 2 California Code of Regulations section 571(a)(1) for classic members as Management Incentive Pay.

#### SECTION 7: POSITIONS EXEMPT FROM FLSA

Employees in Central Management classifications are designated as exempt from the provisions of the Fair Labor Standards Act (FLSA). Those employees who have used all their accrued leave benefits and are absent for less than one (1) day, shall not have that time treated as an absence without pay. Employees in this category shall be subject to disciplinary actions involving unpaid time off in accordance with FLSA regulations.

#### SECTION 8: ADMINISTRATIVE LEAVE

The Central Management positions listed in this Resolution shall be exempt from all overtime provisions contained in the Municipal Code or in any Memorandum of Understanding. The provisions of Administrative Leave for Middle Management will also be offered to the classifications listed in this Resolution.

#### SECTION 9: EXEMPT CENTRAL MANAGEMENT CLASSES

All classes listed in this Central Management Resolution shall be designated as exempt and be considered to be exempt from the provisions of the Municipal Code Section 2.44.390.

The appointment and removal of Department heads and the primary assistants in the City Manager's Office are governed by the Municipal Code Section 2.08.100.

#### SECTION 10: CITY AUTOMOBILE USAGE

Central Management employees may be assigned a City vehicle by the City Manager to conduct city business in accordance with the Administrative Regulations. The City

Manager may, in lieu of assigning a City vehicle, provide the employee with an allowance equal to the City's budgeted equipment rental rate for a standard sedan.

Those employees assigned a City-owned vehicle to conduct City business, may also use the vehicle for private purposes in accordance with Administrative Regulations.

#### SECTION 11: SPECIAL VACATION ALLOWANCE

The City Manager, in his sole discretion, may authorize a central management employee to receive up to 80 additional vacation hours each fiscal year to recognize exceptional accomplishment and/or significant and ongoing work beyond the scope of their position. Such special vacation shall not affect the employee's vacation accrual rate.

#### SECTION 12: UNIFORM ALLOWANCE

Employees may be required to wear uniforms issued by the City if so determined by the City Manager. The City will replace uniforms due to normal wear.

The cost of uniforms shall not constitute compensation for purposes of the regular rate calculation under the Fair Labor Standard Act. This policy shall remain in effect unless a change is dictated by applicable law.

The City shall report to CalPERS the monetary value of uniforms and uniform maintenance for those employees required to wear uniforms. The monetary value of the Police Chief uniform allowance reported to CalPERS each pay period is \$24.22. This shall only apply to "Classic" members, not to new members per Title 2 California Code of regulations section 571(a)(5) as defined by the Public Employees' Pension Reform Act of 2013)

Uniform allowance is defined as compensation paid or the monetary value for the purchase, rental and/or maintenance of required clothing, including clothing made from specially designed protective fabrics, which is a ready substitute for personal attire the employee would otherwise have to acquire and maintain.

#### SECTION 13: CITY MANAGER

The City Manager will be afforded the same salary and benefits adjustments provided to the members of the Central Management group.