

**CITY OF WALNUT CREEK
RESOLUTION NO. 05-15**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WALNUT CREEK
ESTABLISHING SALARY RANGES AND OTHER TERMS AND CONDITIONS
OF EMPLOYMENT FOR CERTAIN MANAGEMENT EMPLOYEES**

The City Council of the City of Walnut Creek does resolve as follows:

Section 1. Scope of Resolution.

- A. This resolution shall apply to Management employees, defined for the purpose of this resolution as employees occupying positions in classifications set forth in Schedules "A" and "B", attached hereto and incorporated herein by this reference, unless otherwise stated herein.
- B. The following Management Unit classifications are hereby abolished: Arts Services Manager, Maintenance Services Manager, Open Space Superintendent, Park Superintendent and Recreation Services Manager.

Section 2. Salary Adjustments.

- A. Salaries for Classifications in the Executive Pay Plan. The classifications which are participating in the Executive Pay Plan set forth in Exhibit "A", attached hereto and incorporated herein by this reference, are those classifications set forth in Schedule "A" similarly attached hereto and incorporated herein by this reference. Effective May 6, 2005, the salary ranges for participants in the Executive Pay Plan shall be the salary ranges set forth in Schedule "A".
- B. Salaries for Designated Management Classifications. Salaries for designated Management classifications are set forth in Schedule "B" attached hereto and incorporated herein by this reference. Effective May 6, 2005, employees occupying classifications set forth in Schedule "B" shall be paid according to the salary ranges set forth in Schedule "B".
- C. Salary Adjustments for Designated Classifications in the Executive Pay Plan and Designated Management Classifications.
- 1) Effective May 5, 2006, the salaries in effect for designated classifications in the Executive Pay Plan as set forth in Schedule "A" and designated management classifications as set forth in Schedule "B" shall be increased by a percentage equal to the percentage increase in the Consumer Price Index - All Items for All Urban Consumers, San Francisco-Oakland-San Jose SMSA, published by the U.S. Department of Labor, Bureau of Labor Statistics for the 12-month period ending February 28, 2006.
 - 2) In addition, the City shall make market adjustments, if any, to salaries effective May 5, 2006, as determined by the City's review of labor market salaries in effect March 1, 2006, and consistent with methods historically used by the City to make such adjustments. Specifically, such review shall include a salary survey of currently established labor market agencies, as used as the basis for making market adjustments in 2005 and as on file in the Human Resources Office. It is explicitly understood that, in the event those benefits set forth in Section 4(B) are provided,

market adjustments, if any, will be determined using the City's currently established methodology reflecting employer payment of the full employee PERS contribution, for the purpose of labor market salary comparison. Market adjustments shall not be compounded with the CPI-based salary increase described in Subsection 2(C)(1), above; instead, the market adjustment (if any) and the CPI-based salary increases shall be added together and then applied to the base salaries for the classifications set forth in Schedules "A" and "B". In no event shall the combined CPI-based salary adjustment and market adjustments be greater than 7.0%.

3) Effective May 4, 2007, the salaries in effect for designated classifications in the Executive Pay Plan as set forth in Schedule "A" and designated management classifications as set forth in Schedule "B" shall be increased by a percentage equal to the percentage increase in the Consumer Price Index - All Items for All Urban Consumers, San Francisco-Oakland-San Jose SMSA, published by the U.S. Department of Labor, Bureau of Labor Statistics for the 12-month period ending February 28, 2007.

4) In addition, the City shall make market adjustments, if any, to salaries effective May 4, 2007, as determined by the City's review of labor market salaries in effect March 1, 2007, and consistent with methods historically used by the City to make such adjustments. Specifically, such review shall include a salary survey of currently established labor market agencies, as used as the basis for making market adjustments in 2005 and as on file in the Human Resources Office. It is explicitly understood that, in the event those benefits set forth in Section 4(B) are provided, market adjustments, if any, will be determined using the City's currently established methodology reflecting employer payment of the 7% employee PERS contribution, for the purpose of labor market salary comparison. Market adjustments shall not be compounded with the CPI-based salary increase described in Subsection 2(C)(3), above; instead, the market adjustment (if any) and the CPI-based salary increases shall be added together and then applied to the base salaries for the classifications set forth in Schedules "A" and "B". In no event shall the combined CPI-based salary adjustment and market adjustments be greater than 7.0%.

Section 3. Maintenance of Benefits.

A. Life and Long-Term Disability Insurance. During the effective period of this resolution, the City shall maintain and assume any premium increases in the existing life insurance and long-term disability insurance plans. The maximum benefit under the City's long-term disability program shall be two-thirds of salary to a maximum of \$9,000 monthly.

B. Dental Plan. During the effective period of this resolution, the City shall maintain and assume any premium increases in the dental plan. The maximum annual benefit under the City's Dental Plan shall be \$1,500 per eligible employee and eligible dependents in each calendar year.

C. Medical Plans.

1) During plan year 2005, the City shall modify (if necessary) the amount it pays toward the cost of City-offered medical insurance for all employees occupying positions in classifications listed in Schedules "A" and "B" (and otherwise eligible to receive medical benefits), to an amount equal to the three-party rate in effect at that time for the Kaiser Permanente Traditional Plan (Trad HMO, \$5 OV, \$10/\$20 Rx).

2) Effective January 1, 2006, the City shall amend its group health plan contracts with Kaiser Permanente HMO and Blue Shield HMO to increase the office visit patient co-payment to \$20 per visit. Accordingly, effective January 1, 2006, and continuing for the remaining period of this resolution, the City shall modify (if necessary) the amount it pays toward the cost of City-offered medical insurance for all employees occupying positions in classifications listed in Schedules "A" and "B" (and otherwise eligible to receive medical benefits), to an amount equal to the three-party rate in effect at that time for the Kaiser Permanente Traditional Plan (Trad HMO, \$20 OV, \$10/\$20 Rx).

D. Vision Plan. During the effective period of this resolution, the City shall provide a vision benefit plan to all full-time Management employees and their eligible dependents through the Vision Service Plan "B", consistent with the Plan document. This Plan will provide eye examination coverage for employees and eligible dependents with a copayment of \$10; and corrective lenses and eyeglass frames for employees and eligible dependents with a copayment of \$25. The City shall assume any premium increases in the Vision Service Plan that may occur during the effective period of this resolution.

Section 4. Retirement Benefits.

A. Retirement Contributions.

In recognition of the employer costs associated with PERS benefits, the parties agree that all Management employees shall contribute an amount equivalent to 0.75% of his/her gross pay to PERS on a biweekly basis via payroll deduction, for the purposes of defraying employer costs associated with PERS Single Highest Year and Post-Retirement Survivor benefits. These employee payments will be reported on a pre-tax basis, consistent with the method described in Subsection E below.

Effective as soon as possible after October 1, 2005, the City shall clarify its reporting to PERS to reflect employees' 0.75% PERS employee paid member contribution and the City's 6.25% employer paid member contribution to PERS on Management employees' behalf, pursuant to Government Code 20691; and, further, will report employer paid member contributions (EPMC) to PERS, as set forth in Subsection D below. These employee payments will be reported on a pre-tax basis, consistent with the method described in Subsection E below.

B. Retirement Contract Amendment.

1) If, by the date agreed upon by the City and miscellaneous (non-safety) bargaining units, but in any case no later than October 1, 2005, the City reaches agreement with all other miscellaneous (non-safety) units for the provision of retirement benefits through PERS using the 2.5% at 55 formula, the following will apply:

a) The City shall amend its PERS contract for miscellaneous members to provide retirement benefits based upon the 2.5% at 55 formula in accordance with Government Code §21354.4, effective on or about July 1, 2006. This contract amendment will operate prospectively only and is subject to approval by PERS. It is recognized that the PERS contract amendment process is a lengthy one, requiring several months to complete. In the event that the contract amendment process cannot be completed by July 1, 2006, the Unit will be notified in

writing of the revised implementation date. This Subsection shall not obligate the City to offer or agree to provide the foregoing retirement benefits to any other unit.

b) Beginning at the implementation date, Management employees will contribute 2.25% of salary toward the 8% employee PERS contribution and the City will contribute the remaining 5.75% of the 8% employee PERS contribution, pursuant to Government Code §20691. G.C. §20691 provides that if the employer elects to pay all or a portion of the normal contributions required to be paid by PERS members, the payments shall be reported simply as normal contributions and shall be credited to member accounts. This employee contribution rate will be formally established with PERS with the intent that it continue for as long as this 2.5% @ 55 formula benefit is provided.

2) If, by the date agreed upon by the City and miscellaneous (non-safety) bargaining units, but in any case no later than October 1, 2005, the City reaches agreement with all other miscellaneous (non-safety) units for the provision of retirement benefits through PERS using the 2.7% at 55 formula, the following will apply:

a) The City shall amend its PERS contract for miscellaneous members to provide retirement benefits based upon the 2.7% at 55 formula in accordance with Government Code Section 21354.5, effective on or about July 1, 2006. This contract amendment will operate prospectively only and is subject to approval by PERS. It is recognized that the PERS contract amendment process is a lengthy one, requiring several months to complete. In the event that the contract amendment process cannot be completed by July 1, 2006, the Unit will be notified in writing of the revised implementation date. This Subsection shall not obligate the City to offer or agree to provide the foregoing retirement benefits to any other unit.

b) Beginning at the implementation date, Management employees will contribute 5.65% of their salary toward the 8% employee PERS contribution and the City will contribute the remaining 2.35% of the 8% employee PERS contribution, pursuant to Government Code §20691. G.C. §20691 provides that if the employer elects to pay all or a portion of the normal contributions required to be paid by PERS members, the payments shall be reported simply as normal contributions and shall be credited to member accounts. This employee contribution rate will be formally established with PERS with the intent that it continue for as long as this 2.7% @ 55 formula benefit is provided.

C. Alternative to Retirement Contract Amendment. If the City does not reach an agreement with all other miscellaneous (non-safety) units in the City for the provision of PERS retirement benefits pursuant to Subsection B above, the following will apply:

1) On or before October 1, 2005, the General Management Unit may notify the City Human Resources Office in writing of its decision to elect to receive, commencing as described in Subsection 2 below, and continuing for the remaining effective period of this resolution, and in lieu of enhanced PERS benefits set forth above, one of the following:

a) Option A: A 2% of salary City contribution toward a defined contribution Money Purchase Plan for eligible Unit employees, as described in Section 13; or

b) Option B: A monthly \$125 fully-vested City contribution toward a Retiree Health Savings Plan for eligible Unit employees, as described in Section 7.

2) The implementation date for Option A or Option B described above shall be no later

than nine months from the date the City is notified by the General Management Unit of its decision.

3) If no notification from the General Management Unit is received by October 1, 2005, then City contributions will be directed as described in Option A above, starting no later than July 1, 2006.

D. Employee Compensation Reporting Method for Retirement Benefit Purposes.

1) During the effective period of this resolution, the City agrees to continue use of a modified compensation reporting method with PERS for all employees occupying positions in classifications listed in Schedules "A" and "B", pursuant to Government Code §20636(c)(4), such that the value of employer paid member contributions (EPMC) made by the City on behalf of Management employees pursuant to Government Code §20691, will be reported to PERS as additional employee compensation.

2) Should the modified compensation reporting method referenced in this subsection be prohibited by law, regulation or administrative interpretation at any time during the effective period of this resolution, the City may comply with such prohibition and shall so notify Management employees in writing.

3) For active and former Management employees who retire during the effective period of this resolution, the City of Walnut Creek shall be held harmless from any and all taxes, fines, penalties, costs or other fees or liability which may be imposed on it as a result of agreeing to the modified compensation reporting method referenced in this subsection and, accordingly, the City may take any such other action as it deems appropriate to the end that it is held harmless from such taxes fines, penalties, costs or any other fees or liability including but not limited to wage deductions or other actions for restitution. Further, the City shall be held harmless from any and all taxes, fines, penalties, costs, or other fees or liability which may be imposed on active employees and former employees who retire during the effective term of this resolution, as a result of these modified compensation and tax reporting methods set forth in this subsection.

E. Retirement Plan Tax Reporting Method.

1) The City will apply Internal Revenue Code Section 414(h)(2) in completing tax reporting for those employee cost-sharing arrangements set forth in Section 4. This tax reporting method provides that those employee contributions made for the purpose of defraying employer benefits costs may be treated as employer contributions for federal and state tax purposes.

2) Should the employee compensation and tax reporting methods referenced in this subsection be prohibited or amended by law, regulation or administrative interpretation at any time during the effective period of this resolution, the City will comply with such prohibition or amendment and shall so notify Management employees in writing.

3) For active employees and former employees who retire during the effective period of this resolution, the City of Walnut Creek shall be held harmless from any and all taxes, fines, penalties, costs or other fees or liability which may be imposed on it as a result of agreeing to the tax reporting methods referenced herein and, accordingly, the City may take any such other action as it deems appropriate to ensure that it is held harmless from such taxes, fines, penalties,

costs or any other fees or liability including, but not limited to, wage deductions or other actions for restitution. Further, the City shall be held harmless from any and all taxes, fines, penalties, costs, or other fees or liability which may be imposed on active employees and former employees who retire during the effective term of this resolution, as a result of these modified compensation and tax reporting methods set forth in this subsection.

Section 5. Additional Benefits for Chief of Police. In addition to the benefits provided under this resolution, the Chief of Police shall receive a uniform allowance, holiday pay, dental and retirement benefits equal to those provided to Police Captains in the Police Management Unit.

Section 6. Employment Agreements. The salaries established for the City Manager and the City Attorney by this resolution are made in satisfaction of the annual salary increase provisions of the employment agreements entered into between the City and the City Manager and the City and the City Attorney. Whenever any benefit conferred by this resolution conflicts with a specific provision of the employment agreements between the City and the City Manager or the City and the City Attorney, the provisions of the employment agreement shall prevail.

Section 7. Retiree Medical Insurance Plan.

A. **Post-Retirement Health Plan Participation.** Through the effective period of this resolution, Management employees with five or more years of full-time City service shall be eligible to participate, at their own expense, in the City's medical plans after retirement from the City. Any employee participating in this plan shall do so in accordance with the terms and conditions set forth in the "City of Walnut Creek Retiree Health Insurance Plan" dated May 1, 1985 as revised March 1, 1986, August 1, 1988, and January 1, 2003, a copy of which is maintained on file in the office of the Personnel Officer.

B. **Retirement Health Savings (RHS) Plan.**

1) Through the effective period of this resolution, the City agrees to provide contributions for Management employees toward a Retirement Health Savings (RHS) Plan, to be administered by ICMA Retirement Corporation or its affiliates, as described below. The intent of this Plan is for the benefits to be available to partially defray the costs incurred by employees for health plan premiums or medical expenses after retirement from the City. The plan shall be in lieu of any other City-funded retiree medical plan.

2) The Retirement Health Savings Plan is the following. For all Management employees who complete fifteen years of regular, full-time service with the City, the City shall contribute \$125.00 per month to a Retirement Health Savings Plan, beginning with the employee's sixteenth year of regular, full-time service with the City. The City shall continue to make contributions through the employee's twenty-fifth year of service. All plan contributions made by the City on behalf of any employee shall vest only upon completion of twenty years of regular, full-time City service. No plan contributions shall be made following an employee's separation from City service.

3) The Retirement Health Savings Plan shall provide for benefits to be paid to a

Management employee after separation from City service based upon contributions made on behalf of such employee and shall not define a particular benefit to be paid to such employee.

C. Unit Notification of Election to Modify Retirement Health Savings (RHS) Plan.

1) In the event the City receives written notice from the General Management Unit on or before October 1, 2005 of its decision to elect to change the Retirement Health Savings (RHS) Plan for Unit employees, pursuant to Section 4(C) above, the following will apply.

a) During the effective period of this resolution, the City agrees to provide contributions for eligible Management employees toward a Retirement Health Savings (RHS) Plan, to be administered by ICMA Retirement Corporation or its affiliates, as described below. The intent of this Plan is for the benefits to be available to partially defray the costs incurred by employees for health plan premiums or medical expenses after retirement from the City. The plan shall be in lieu of any other City-funded retiree medical plan, including the existing plan described in Section 7(B) above.

b) Beginning not later than nine months from the date the City receives written notice described in Subsection 1 above, for each eligible employee the City shall contribute \$125.00 monthly to RHS participant accounts, for each complete calendar month of an employee's active City service; except that employees on authorized unpaid leave from City employment while assigned to active military duty shall receive monthly contributions during the period of such leave. The City shall continue to make contributions to the RHS Plan until an employee separates from eligible City employment. City contributions shall be 100% vested at all times, including those contributions made prior to implementation date. No plan contributions shall be made on an employee's behalf following an employee's separation from City service.

c) The RHS Plan shall provide benefits to be paid to a Management employee after separation from City service based upon contributions made on behalf of such employee and shall not define a particular benefit to be paid to such employee.

Section 8. General Leave. Pursuant to Section 1008 of the Personnel System Rules and Regulations of the City of Walnut Creek, all employees in the General Management and Executive Units shall have leave benefits as determined by the General Leave Plan as set forth in Exhibit "B" of this resolution, attached hereto and incorporated herein by this reference, and the provisions of Chapters 8 and 9 and section 1002 of the Personnel Rules shall not apply to these employees.

Section 9. Management Incentive Program. All employees of the General Management and Executive Units shall be subject to the provisions of the Management Incentive Program, as those provisions are set forth in Exhibit "C" of this Resolution, attached hereto and incorporated herein by this reference.

Section 10. Part-time Employees.

Eligible part-time employees shall benefit from the following:

- A. General Leave. Upon completion of six months of continuous active service following appointment, part-time employees shall be eligible to accrue general leave benefits on the same accrual basis for regular Management employees but in an amount proportionate to the ratio of scheduled hours of work per week to the standard work week.
- B. Holidays. All eligible part-time employees scheduled to work 20 hours or more per week on a continuous basis shall receive prorated holiday pay for each holiday provided to Management employees: employees regularly scheduled to work 20 hours per week shall receive 4 hours holiday pay; employees regularly scheduled to work 30 hours per week shall receive 6 hours holiday pay.
- C. Health Benefits. For part-time employees the City shall contribute towards the employee's health benefits an amount equal to a percentage of the cost of the three-party rate in effect at that time for that Kaiser Permanente Plan offered to regular, full-time employees, which percentage shall be fifty percent for employees who are regularly scheduled to work 20 hours per week, seventy-five percent for employees who are regularly scheduled to work 30 hours per week.
- D. Management Incentive Program. All eligible part-time employees may participate on a pro-rata basis in the Management Development Plan of the Management Incentive Program.
- E. Flexible Benefits. All eligible part-time Management employees may participate in a Flexible Benefits Plan that includes flexible spending accounts for dependent care, medical expenses and medical premium copayments.

Section 11. Personnel Rule Changes.

A. Except as provided by Section 105 of the City's Personnel Rules, Section 1205 of the Personnel Rules as applied to the employees subject to this resolution shall be as follows:

"SECTION 1205 RIGHT OF APPEAL - PROCEDURE

A regular employee shall have the right of appeal from any disciplinary action taken under this chapter. Such appeal must be filed with the City Manager with a copy to the Human Resources Office and the department within ten (10) calendar days after the receipt of written notice of the imposition of disciplinary action. The appeal must state specifically the issue(s) in controversy and the facts upon which the issue(s) is based.

In the case of disciplinary action consisting of official reprimand or suspension for five (5) days or fewer, the City Manager shall conduct an informal hearing on the matter within ten (10) calendar days of receiving the appeal. The decision of the City Manager shall be final.

In the case of disciplinary action consisting of suspension in excess of five (5) days, up to the including termination, an employee dissatisfied with the action imposed may appeal the action to arbitration. To determine the appeal, an arbitration hearing shall be provided in Sections 1206-9

of these Rules and Regulations.”

B. Pursuant to Section 105(g) of the City’s Personnel Rules, the City Manager has determined that Section 809 of the Personnel Rules shall apply to all regular, full-time employees subject to this resolution, as follows:

“SECTION 809 ON-THE-JOB INJURY

When an employee is off work as the result of a valid on-the-job injury or illness sustained in the service of the City, the city shall continue his/her pay in the amount of his/her monthly rate for up to but no longer than sixty (60) cumulative working days per injury. In addition to the foregoing, when an employee is off work as the result of a valid on-the-job injury or illness, during each annual period beginning on the first anniversary date of the injury or illness, the City shall continue his/her pay in the amount of 50% of his/her monthly rate for up to but no longer than thirty (30) additional cumulative working days per injury. Any of these 30 additional days not used during an annual period may not be carried over into subsequent years. If an employee receives pay in the amount of 50% of his/her monthly rate for any day(s) pursuant to this section, the employee may use any accrued leave for the balance of such day(s) in order to receive 100% of his/her monthly rate. For the purpose of this section, working days shall include scheduled days off work due to the same valid on-the-job injury or illness on both the working day before and after the holiday. For any salary continuance benefit paid under this section, the City shall only pay that amount necessary to make up the difference between the employee’s monthly rate and the amount payable to the employee as temporary disability payments from the Workers’ Compensation Insurance Plan of the City. Such pay shall be considered as on-the-job injury leave and shall not be charged as sick leave. In no event shall an employee be entitled to receive both the foregoing benefit and the long-term disability benefit for the same day(s).”

C. The application of Personnel Rule Section 809 specified under Section 11.B above shall be effective on July 1, 1996 and shall be applicable to all claims regardless of whether the date of injury occurred before or after the effective date of this resolution.

Section 12. Flexible Benefits. During the effective period of this resolution, eligible employees may participate in a Flexible Benefits Plan offered by the City that shall include flexible spending accounts for dependent care, medical expenses and medical premium copayments.

Section 13. Money Purchase Plan.

A. Executive Unit Participation. The City Attorney, defined as a group of one, and members of the Executive Unit (as specified in Administrative Policy 79-2, as revised) shall be eligible to participate, at their own expense, in a Money Purchase Plan in accordance with Section 401(a) of the Internal Revenue Code. All employees occupying classifications allocated to these groups shall make mandatory contributions to this plan through payroll deduction in an amount to be designated by the unit representatives.

B. Plan Participation by Executive Pay Plan and Designated Management Classifications. Employees occupying positions in the Executive Pay Plan as set forth in

Schedule "A", except those assigned to the Executive Unit as described in Section 13(A) above, and designated management classifications as set forth in Schedule "B" shall be eligible to participate, at their own expense, in a Money Purchase Plan in accordance with Section 401(a) of the Internal Revenue Code. All members of the Executive Pay Plan as set forth in Schedule "A", except those assigned to the Executive Unit as described in Subsection A above, and designated management classifications as set forth in Schedule "B" shall make mandatory contributions to this plan through payroll deduction in an amount to be designated by the General Management Unit.

C. Unit Notification of Election to Modify Money Purchase Plan. In the event the City receives written notice from the General Management Unit on or before October 1, 2005 of its decision to elect to change the Money Purchase Plan for Executive Unit, Executive Pay Plan and General Management Unit classifications, pursuant to Section 4(C) above, the following will apply.

1) Beginning not later than nine months from the date the City receives written notice described in Subsection 1 above, the City shall contribute 2% of salary towards a defined contribution Money Purchase Plan for eligible employees in the Executive Unit and General Management Unit and the City Attorney and City Manager.

2) Employee plan contributions as set forth in Sections 13(A) and 13(B) above will remain unchanged, unless or until the City is notified in writing by the Executive Unit, General Management Unit or City Attorney or City Manager of a change to the mandatory contribution amounts designated by the plan.

Section 14. Executive and Exempt Appointments. The City Manager may assign persons appointed to positions set forth in Schedule "A" a General Leave balance and accrual rate commensurate with their experience. The City Manager may also provide such employees with severance benefits not to exceed six months salary. The City Manager may also provide such benefits to persons exempted from the Personnel System Rules and Regulations by Section 105(f) of those Rules.

Section 15. Repealer. To the extent that any provision of this resolution conflicts with any provision of any prior Council resolution concerning the issues determined by this resolution, the provision of the prior resolution is repealed.

Section 16. Effective Date. This resolution shall take effect immediately upon adoption; provided, however, that the individual sections, and paragraphs of this resolution shall take effect on such dates as may be specified therein. This resolution and the provisions herein shall remain in effect until June 30, 2008 unless modified or extended by subsequent resolution.



**EXECUTIVE PAY PLAN
BI-WEEKLY RATES
SCHEDULE "A"
5/6/2005**

CLASS TITLE	CLASS CODE	SALARY RANGE	
Administrative Services Director	B100	4473.66	6215.39
Arts, Recreation & Community Services Director	B180	4624.93	6394.98
Asst. Dir. of Arts, Recreation, and Community Services	E185	4036.78	5552.80
Assistant City Attorney	E100	3969.42	5529.65
Assistant Public Services Director	E175	3843.85	5360.18
Chief Building Official	E105	3428.01	4786.45
Chief Information Officer	E140	3754.34	5164.29
Chief of Police	B110	4624.93	6394.98
City Attorney	B160		6973.16
City Manager	B170		7956.76
Community Development Director	B120	4473.66	6215.39
Deputy City Manager	E180	3772.92	5283.29
Finance Manager	E120	3074.85	4304.31
Human Resources Manager	E130	3074.85	4304.31
Manager of Engineering Services	E115	3524.45	4920.84
Planning Manager	E110	3428.01	4786.45
Police Manager	E165	3068.41	4296.04
Public Services Director	B150	4624.93	6394.98
Public Services Manager	E135	3413.55	4757.51
Transportation Administrator	E155	3524.45	4920.84



**MANAGEMENT SALARY SCHEDULE
BI-WEEKLY RATES
SCHEDULE "B"
5/6/2005**

CLASS TITLE	CLASS CODE	STEP A	STEP B	STEP C	STEP D	STEP E
Administrative Analyst I	D100	2422.62	2536.27	2658.13	2782.51	2915.10
Administrative Analyst II	D110	2718.74	2851.34	2979.50	3125.36	3276.88
Assistant Planning Manager	D180	3473.02	3638.43	3822.01	4000.76	4194.64
Assistant to City Manager	D120	2979.50	3125.36	3276.88	3438.52	3605.20
Building Inspection Supervisor	D230	2854.12	2989.88	3134.49	3287.93	3448.94
Building Maintenance Supervisor	D125	2856.53	2987.29	3133.38	3286.48	3445.95
Central Services Supervisor	D240	2015.05	2116.09	2221.98	2332.75	2449.59
City Engineer	D280	3852.04	4044.64	4246.88	4459.21	4682.18
Clerk of Council	D260	2718.74	2851.34	2979.50	3125.36	3276.88
Community Arts Supervisor	D130	2942.02	3081.87	3234.90	3385.97	3546.26
Community Relations Officer	D275	2979.50	3125.36	3276.88	3438.52	3605.20
Deputy City Attorney	D220	3592.62	3769.43	3958.83	4158.82	4366.76
Engineering Inspection Supervisor	D175	2854.12	2989.88	3134.49	3287.93	3448.94
Information Systems Project Leader	D105	2972.34	3123.35	3279.72	3442.06	3616.35
Open Space Supervisor	D265	2856.53	2987.29	3133.38	3286.48	3445.95
Park Maintenance Supervisor	D160	2856.53	2987.29	3133.38	3286.48	3445.95
Police Services Supervisor	D255	2812.81	2950.46	3082.42	3233.95	3390.53
Recreation Supervisor	D165	2942.02	3081.87	3234.90	3385.97	3546.26
Senior Accountant	D135	2806.65	2946.12	3095.08	3249.39	3410.23
Senior Civil Engineer	D215	3409.18	3580.55	3758.64	3946.48	4144.07
Senior Community Arts Supervisor	D235	3089.12	3242.16	3393.89	3554.18	3725.03
Senior Recreation Supervisor	D185	3089.12	3242.16	3393.89	3554.18	3725.03
Stores & Purchasing Supervisor	D245	2206.50	2316.23	2432.33	2554.16	2680.46
Street Maintenance Supervisor	D190	2856.53	2987.29	3133.38	3286.48	3445.95
Traffic Control Supervisor	D200	2856.53	2987.29	3133.38	3286.48	3445.95
Traffic Engineer	D225	3409.18	3580.55	3758.64	3946.48	4144.07
Vehicle & Equip. Maintenance Supvr	D140	2856.53	2987.29	3133.38	3286.48	3445.95

EXHIBIT "A"

EXECUTIVE PAY PLAN

The Executive Pay Plan shall embody the following principles for determining individual salary increases within specified salary ranges.

1. Cost-of-Living Adjustment. Given the employee's satisfactory performance of duties, she/he will receive a cost-of-living salary adjustment when such an adjustment is made to the salary range for his/her classification. The amount and effective date of the cost-of-living adjustment will be as authorized by the City Council. This adjustment is considered to be automatic given satisfactory performance, and is established to recognize that management personnel salaries should be adjusted as near consistent with other City employees as is reasonably possible. The salary increase, so provided, is considered to be a basic minimum and no increase less than this increment will normally be given. In the infrequent case where performance is not at a satisfactory level, the individual would not be eligible for this basic adjustment.

2. Meritorious Performance Adjustment. When an individual's performance is beyond a satisfactory level in the discharge of responsibilities in her/his position and the achievement of departmental objectives at a high level of quality in terms of results, the individual will be considered for an annual merit increase in addition to the cost-of-living adjustment. Such an increase would be between one (1) and seven (7) percent, the exact percentage being determined by the City Manager or the Department Director making the evaluation and on the evaluation of the degree of meritorious service. An employee shall be eligible to receive one merit increase per twelve-month period, and once granted an employee shall not be eligible to receive another merit increase during the succeeding twelve-month period. Once awarded, the increase for meritorious service will normally be continued in future years and not be revoked at the end of the year in which awarded.

3. Extra Pay for Department Directors Assigned Assistant City Manager Duties.

When, in the judgment of the City Manager, an alternative organizational structure or a reassignment of duties will help maintain the efficiency and effectiveness of government operations, the City Manager may designate a Department Director as Assistant City Manager. Upon making such a designation, the City Manager shall define the assignments to be undertaken by the individual so designated.

The decision to make such a designation as well as its duration shall be at the discretion of the City Manager. In determining the duration of such a designation, the City Manager shall consider the needs of the City and the purpose to be accomplished.

During the period of designation, the individual may receive extra pay. Extra pay for such designation and assumption of additional responsibilities may be up to a maximum of ten percent (10%) above the Director's normal rate of pay and shall be determined by the City Manager. The recommended pay level should be reflective of the degree of increased work responsibility, amount of work time to be spent performing the higher duties, and the skill or

expertise required. Such extra pay will cease when the employee is no longer required to perform the extra duties as designated.

The Executive Pay Plan shall be subject to the following limitations:

a. Merit increases for all officials and employees included in the Executive Pay Plan shall not exceed in a given year, an amount equal to 4½ % of the total of their salaries plus the cost-of-living increment without approval of the City Manager.

b. The limit so set is a maximum only and all meritorious awards must first be related to and justified by performances beyond a normal satisfactory level.

c. Any award or adjustment under this plan shall not be effective until approved by the City Manager.

d. When salary ranges are adjusted, no incumbent salaries will be adjusted solely due to such changes unless the salary then in effect does not fall within the then established minimum and maximum amounts.

Salary ranges for classes included in the Executive Pay Plan shall provide an approximate 40% spread between the minimum and maximum amounts established. There shall be no specified or predetermined "steps" within the range, each range being left clear between the minimum and maximum rate, thus allowing the flexibility of adjustment required in order to recognize varying levels of performance.

Salary range and cost-of-living adjustments shall be considered annually. In determining range and cost-of-living adjustments, such matters as changes in the cost of living, other salary changes such as those arrived at through negotiations with recognized employee groups, compression between management and subordinate class ranges and salaries of comparable classes in competitive agencies will be considered.

The Executive Pay Plan shall be administered by the City Manager who normally will delegate to Department Directors the responsibility for recommending awards for employees within their departments who are covered by the Plan.

The City Manager shall establish and revise policies and procedures to insure fair and equitable administration of the plan and shall also continue to evaluate the composition of the group included in the plan and recommend to the City Council the addition or deletion of classes for inclusion in the plan.

EXHIBIT "B"

**CITY OF WALNUT CREEK GENERAL LEAVE PLAN
FOR EXECUTIVE AND GENERAL MANAGEMENT EMPLOYEES**

ARTICLE I
Definition

General Leave is compensated leave for those eligible employees who are absent from duty because of illness, certain family member illness, death in the family, medical or dental care appointments, family care, personal reasons or who utilize the time off as vacation.

ARTICLE II
Applicability

This General Leave Plan shall apply to regular and part-time employees in the Executive and General Management Units. This Plan shall also apply to the City Manager and City Attorney.

ARTICLE III
General Leave Credits

1. Eligible regular full-time employees shall be entitled to the following annual accrual equivalent to an eight-hour workday.

<u>Years of Completed Service</u>	<u>Annual General Leave Accrual</u>
1 thru 4	160 working hours (20 days)
5 thru 9	184 working hours (23 days)
10 thru 14	208 working hours (26 days)
15 thru 19	232 working hours (29 days)
20 thru 24	248 working hours (31 days)
25 or more	256 working hours (32 days)

2. General leave shall be earned in working hours on a monthly basis.

3. Eligible part-time employees shall accrue hourly general leave credits in an amount proportionate to the ratio of scheduled hours of work per week to the standard workweek. In no case shall the number of accrued leave days per month exceed the number of general leave days allowed based on years of service. Part-time employees working less than 20 hours a week, and temporary and emergency employees shall not earn general leave.

4. General leave credits are not earned during periods of unpaid leave. Absence without pay or partial months of employment (e.g. last month of employment) shall cause the monthly accrual of leave to be reduced on a pro-rated basis. Any reductions in leave accruals shall

be in increments of one hour.

5. General Leave During First Year: Upon completion of six months of continuous active service following appointment, regular and part-time employees shall be eligible to earn general leave credits. Upon the completion of said period of service, regular employees shall be credited with eighty (80) working hours (ten days) of general leave (part-time employees shall be credited with pro-rated general leave) and shall thereafter accrue general leave at the rate provided in section (1), set forth above.

6. Maximum Accumulation: General leave credits may be accumulated until a maximum of 540 hours is reached, at which time the excess hours will be lost. An employee who has exceeded or is nearing the 540 hour maximum and who is in jeopardy of losing future hours of earned credit due to current inability to use or transfer the hours of credit, may propose a program subject to the City Manager's approval to effectively reduce the general leave balance within two years by either using the general leave credits as provided in Article V; or converting the credits to pay or sick leave as provided in Article VI; or have General Leave hours in excess of the 540 hour maximum thereafter accrue to the sick leave bank; or any combination of these methods. Whenever such a program has been approved by the City Manager, the City Manager may allow the employee to accumulate a maximum of 640 hours of general leave credit. Notwithstanding Articles IV, V, or VI and solely for the purposes of this subsection, any employee may establish a sick leave bank subject to City Manager approval.

7. Employees otherwise exempt from the Fair Labor Standards Act (FLSA) shall not have their salary reduced for General Leave use for absences of less than a day, when all General, administrative or compensatory time balances, or sick leave balance if appropriate, are exhausted. Such absences shall be shown as negative General Leave balances; the negative balance shall be reduced by the crediting of future earned leave.

ARTICLE IV

General Leave Implementation

When an employee who has accrued vacation and sick leave credits becomes eligible to participate in the General Leave Plan, unused leave credits shall be transitioned on the first day of General Leave Plan eligibility as follows:

1. Vacation Leave Credits: All unused vacation leave credits shall be converted to general leave credits on an hour for hour basis.

2. Sick Leave Credits: All unused sick leave credits shall be maintained as a bank of sick leave hours to be used in accordance with the provisions of Article V of this Plan.

During the first six months of participation in the General Leave Plan, employees who have accrued sick leave credits transferred to a sick leave bank, shall be permitted to use sick leave for absence due to his/her illness, and for medical and dental appointments. Beginning the seventh month of General Leave Plan participation, an employee may use sick leave credits in accordance with Article V of this Plan. New employees hired into classes

covered by this General Leave Plan will not be eligible to establish a sick leave bank.

ARTICLE V

General Leave Usage

1. Request and Approval: Department Directors are responsible for arranging leave schedules so that adequate personnel are available to carry on necessary City work. The use of general leave shall require approval of the Department Director or his/her designee. Whenever possible, general leave requests must be approved in advance of the days to be taken as general leave. The procedure for requesting the use of general leave shall be as follows:

a. Non-medical Personal Leave: Any leave that can be reasonably forecast or anticipated such as vacation, care of children, personal business, etc. shall require prior approval of the Department Director, or the employee's supervisor. The time and amount of general leave to be taken for non-medical purposes shall be determined by the Department Director with due regard for the wishes of the employee and particular regard for the needs of the City.

b. Medical Leave: An absence from work due to an employee's illness or for a medical or dental appointment shall be referred to as medical leave. The Department Director may require an employee to furnish satisfactory evidence justifying the need to be absent from work for medical reasons. The determination and final approval of general leave for medical reasons shall be made by the Department Director.

c. An employee may request general leave for an unanticipated absence from work (e.g. medical leave, car trouble, care of children, etc.) by notifying his/her supervisor within one (1) hour after the time set for reporting to work on the first day of such leave and as often thereafter as directed by his/her supervisor. Final approval for an unanticipated, unscheduled absence shall require Department Director approval. Failure to request an unscheduled leave in the manner described may result in lost work time charged as leave without pay or unauthorized leave of absence.

d. Any employee who is absent from work on an unscheduled leave shall not engage in work or other activities that will inhibit his/her ability to report for work at the earliest possible time.

a. Medical examination by the City's examining physician may be requested by the Department Director after prolonged, serious, or repetitious illness, injury, or major surgery. An employee's return to duty following illness or injury is subject to the approval of the Department Director or Personnel Officer based upon medical information supplied by the employee's physician and/or the City's physician.

f. General leave may not be used to supplement long-term disability payments.

g. On-the-job Injury (OJI) of Full-time Employees: A regular, full-time employee absent from work because of a temporary disability which is defined as industrial under the Workers' Compensation Act shall be entitled to an industrial leave as follows:

(1) When a non-public safety employee is off work as the result of a valid on-the-job injury or illness sustained in the service of the City, the city shall continue his/her pay in the amount of his/her monthly rate for up to but no longer than sixty (60) cumulative working days per injury. In addition to the foregoing, when an employee is off work as the result of a valid on-the-job injury or illness, during each annual period beginning on the first anniversary date of the injury or illness, the City shall continue his/her pay in the amount of 50% of his/her monthly rate for up to but no longer than thirty (30) additional cumulative working days per injury.

Any of these 30 additional days not used during an annual period may not be carried over into subsequent years. If an employee receives pay in the amount of 50% of his/her monthly rate for any day(s) pursuant to this section, the employee may use any accrued leave for the balance of such day(s) in order to receive 100% of his/her monthly rate. For the purpose of this section, working days shall include scheduled days off work due to the same valid on-the-job injury or illness on both the working day before and after the holiday.

For any salary continuance benefit paid under this section, the City shall only pay that amount necessary to make up the difference between the employee's monthly rate and the amount payable to the employee as temporary disability payments from the Workers' Compensation Insurance Plan of the City. Such pay shall be considered as on-the-job injury leave and shall not be charged as sick leave. In no event shall an employee be entitled to receive both the foregoing benefit and the long-term disability benefit for the same day(s).

When an employee has exhausted OJI leave, he/she may charge general leave credits (or unused sick leave) in an amount necessary to make up the difference between the employee's regular pay and the amount payable to the employee as temporary disability payments from the Workers' Compensation Insurance Plan of the City.

(2) Public Safety employees may continue to receive regular salary for up to one year when incapacitated for work due to an on-the-job injury or illness, as provided for in the Labor Code.

h. On-the-job Injury of Part-Time Employees. Eligible part-time employees may charge General Leave credit (or unused sick leave) in an amount necessary to make up the difference between the employee's regular pay and the amount payable to the employee and temporary disability payments from the Workers' Compensation Insurance Plan of the City.

i. Use of General Leave When Permanently Incapacitated: General leave shall not be used to continue the salary or employment of any employee after it has been determined that such employee is permanently incapacitated for a return to employment and is eligible for disability retirement.

j. Disability Income Protection: A disability income protection plan shall be provided for all employees covered by the General Leave Program. The disability income protection plan shall have a waiting period of thirty (30) calendar days before the benefits shall be extended to an employee. The benefits, terms and conditions are described in the Long-term Disability Insurance Plan.

k. General Leave Advance: The City Manager may advance up to ten (10) days of general leave. Should an employee take general leave in excess of his/her accrual and subsequently terminate, the City shall deduct from his/her final paycheck an amount equal to the unaccrued general leave that was used.

l. Use of Sick Leave: Only employees who have unused sick leave credits earned under the City's sick leave plan shall be eligible to establish a sick leave bank as provided by Article IV of this Plan. Credits in a sick leave bank may be used if one of the following conditions apply.

(1) With the approval of the Department Director, an employee absent due to his/her illness or injury for more than eight (8) cumulative days during any calendar year may use unused sick leave balances for absences due to further illness or injuries prior to using further general leave.

(2) With the approval of the Department Director, an employee who has exhausted all general leave credits may use any unused sick leave credits for valid medical reasons.

(3) Subject to becoming eligible to use sick leave by meeting the criteria of l(1) or l(2) above, an employee may use sick leave to attend to a family member as follows:

(i) Family member illness. Subject to the conditions and restrictions on an employee's use of medical leave, and the provisions of this Article, an employee may use general leave or sick leave to attend to an illness of his/her child, parent, spouse, or domestic partner. In any calendar year, an employee may utilize his/her accrued and available general leave or sick leave in an amount not more than the general leave that would be accrued during six months at the employee's then current rate of leave accrual.

ARTICLE VI

1. General Leave Conversion to Pay or Sick Leave:

To be eligible for General Leave Conversion, an employee must have a minimum of 22 days (176 hours) of general leave or sick leave credits (or a combination thereof) remaining after the conversion. Each year in December up to sixty-four (64) hours of general leave may be converted as follows:

a. Buy-back: Upon using one-half of general leave credits accrued during the preceding 12-month period from December 1 through November 30, an employee may request to receive pay for up to sixty-four (64) hours of general leave credits at the current hourly salary rate, according to the following schedule:

<u>Years of Service</u>	<u>Hours</u>
1 - 5	40
6 - 10	48
11 - 15	56
16 +	64

b. Sick Leave: In lieu of pay, an employee with a sick leave bank may convert up to 40 hours of general leave to the sick leave bank. General leave credits may be converted to sick leave credits on an hour-for-hour basis in order to provide security against extended illness and/or to accumulate PERS service credits.

ARTICLE VII

General Leave at Termination

1. An employee with more than six months of active, continuous service whose employment with the City terminates shall be paid for each hour of unused general leave. Payment for unused general leave shall be made at the hourly rate of pay in effect for such employee at the time of separation.

2. An employee may use up to ten (10) days of general leave to extend a termination date beyond the last day actually worked. The use of more than ten (10) days shall be allowed only with the consent of the City Manager, or in the case of employees appointed by the City Council, the consent of the City Council.

3. When termination is caused by the death of an employee, pay for unused general leave shall be paid to the beneficiary the employee has designated. Such designation shall be in writing, signed by the employee and filed with the Personnel Office. In the event an employee has not designated a beneficiary, the payment shall be made to the estate of the employee.

ARTICLE VIII

Holidays During General Leave

When a day designated and observed by the City as a holiday occurs on a day on which an employee is taking general leave, such employee shall not be charged as using general leave for that day. The employee's compensation for that day shall be holiday pay.

ARTICLE IX

Effect of Extended Military Leave

An employee who is granted a military leave of absence exceeding 180 calendar days may request payment for that part of general leave accumulation that remains as of the date the leave commences.

EXHIBIT "C"

MANAGEMENT INCENTIVE PROGRAM

The Management Incentive Program is designed to recognize the needs and interests of participating management officials and employees. The Program is structured, therefore, to allow management employees a degree of flexibility in the use of specific City programs and benefits for which they are eligible. The Management Incentive Program shall consist of the redirection of unused medical premiums, the administrative leave plan as implemented by Administrative Leave Policy 93-2, and the management development plan as implemented by Administrative Policy 79-5.

I. REDIRECTION OF UNUSED MEDICAL PREMIUM

The City shall contribute an amount equal to the Kaiser family rate toward the cost of City-offered medical insurance plans for all regular, full-time unit employees. Employees may redirect any unused medical premium to a 457 deferred compensation account. An employee with medical insurance coverage outside of the City may redirect their unused medical premium to a 457 deferred compensation account upon demonstrating proof of adequate medical insurance coverage.

II. ADMINISTRATIVE LEAVE PLAN

A. Administrative Leave Plan for City Manager, City Attorney and Members of the Executive Unit.

1. The provisions of this section shall govern the acquisition and use of administrative leave by the City Manager, the City Attorney and members of the Executive Unit.
2. On the first pay period ending date in January of each calendar year, each employee shall be granted ninety-six (96) hours administrative leave that may be used during that calendar year only. Executive Unit employees may use administrative leave at the employee's discretion, subject to the prior approval of the City Manager.
3. Unused administrative leave at termination shall not be compensated.

B. Administrative Leave Plan for Other Eligible Management Employees.

1. The provisions of this subdivision II.B. shall apply to all management officials and employees except for those covered under section II.A. above.
2. On the first pay period ending date in January of each calendar year, each employee shall be granted administrative leave without regard to the number of hours actually worked in excess of the standard work week. The amount of administrative leave granted to each employee shall be determined by the Department Director in consultation with each employee's supervisor(s); and is subject to City Manager approval. Administrative leave granted to individual employees shall normally not exceed ninety-six (96) hours annually. However, the City Manager can make mid-

year adjustment to annual leave allotments for individual employees on July 1 of each year, under special circumstances and upon recommendation of the Department Director. Such mid-year adjustments may include an allocation of additional leave, or a reduction of hours allocated for that calendar year.

3. Department Directors' recommendations regarding administrative leave allotments shall be submitted in writing to the City Manager no later than November 1 of each year for the following calendar year, except that individuals appointed to positions in classifications allocated to the Management Unit and Executive Pay Plan shall be granted administrative leave at the time of appointment. Such employees appointed to eligible management positions shall be granted administrative leave as recommended by the Department Director and approved by the City Manager within thirty (30) days of the effective date of appointment.
4. Overtime provisions of the Personnel Rules shall not apply to these designated employees.
5. Use of administrative leave shall be subject to the approval of the Department Director or designee.
6. Up to 40 hours of unused administrative leave may be carried over from year to year. Administrative leave for a given year may be used through the last pay day of the calendar year's corresponding pay period end date. At that time, up to 40 hours of unused administrative leave shall be rolled over to the next calendar year and any unused leave beyond 40 hours shall be cancelled. The amount of leave that is carried over will be in addition to the allotment of administrative leave that is granted with the first pay period ending date of each calendar year.
7. Unused administrative leave at termination shall not be compensated.

III. MANAGEMENT DEVELOPMENT PLAN

Each Management employee may expend a specified amount per year for conferences, seminars, memberships, professional and technical publications, tuition, other educational benefits, or physical examinations as follows:

Annual Allowance

All Department Directors	\$1,425
Designated Division Managers	975
Other Designated Management Employees	700

The expenditure of these funds shall be subject to approval of the City Manager or authorized designee. The cost of attending the annual management retreat shall not be deducted from these funds, but instead shall be funded solely by separate City funds.

Accrual of funds of not more than two years may be carried over for major conferences or seminars as approved by the City Manager or authorized designee.

PASSED AND ADOPTED by the City Council of the City of Walnut Creek at a regular meeting thereof held on the 17th day of May 2005, by the following called vote:


AYES: Councilmembers: Rainey, Regalia, Hicks
NOES: Councilmembers: Abrams, Mayor Skrel
ABSENT: Councilmembers: None

/s/ Gary Skrel
Mayor of the City of Walnut Creek

Attest:

/s/ Cathleen A. McKay
City Clerk of the City of Walnut Creek

I HEREBY CERTIFY that the foregoing resolution was duly and regularly passed and adopted by the City Council of Walnut Creek, County of Contra Costa, State of California, at a regular meeting of said Council held on the 17th day of May 2005.

 Cathleen McKay
City Clerk of the City of Walnut Creek