



CITY OF LA MESA
SUMMARY OF MANAGEMENT BENEFITS
January 2019

General: Management benefits are provided at the direction of the City Manager. The City Manager may periodically make adjustments to the Management benefits package. Although Management employees are not represented, certain Management benefits are administered according to the terms of other bargaining unit MOUs. These MOUs and applicable policies and procedures may be consulted for guidance when determining if/how other benefits afforded to represented employees should be applied to Management employees. Exceptions to Management benefits, as summarized in this document, may be made by the City Manager. In the case of any dispute or question concerning the application of Management benefits, the matter shall be decided by the City Manager.

Retirement: All regular City employees are members of the California Public Employees' Retirement System (CalPERS). Employees are enrolled in one of the following retirement formulas. Additional benefits are provided in accordance with the City's CalPERS contract.

Non-Safety Management Employees

| | Hire Date | Retirement Formula | Employee Contribution as of 7/1/13 | Employee Cost Sharing as of 2/2019 | Final Compensation Formula |
|--------|---|--------------------|------------------------------------|------------------------------------|----------------------------|
| Tier 1 | Hired on or before January 20, 2011 | 3% @ 60 | 8% | 0.5% | 1 Year |
| Tier 2 | Hired on January 21, 2011 through December 31, 2012 | 2.5% @ 55 | 8% | 0.5% | 1 Year |
| Tier 3 | Hired on or after January 1, 2013* | 2% @ 62 | 6.25% | 0% | 3 Years |

Police Safety Management Employees

| | Hire Date | Retirement Formula | Employee Contribution as of 7/1/13 | Employee Cost Sharing as of 2/2019 | Final Compensation Formula |
|--------|---|--------------------|------------------------------------|------------------------------------|----------------------------|
| Tier 1 | Hired on or before January 20, 2011 | 3% @ 50 | 9% | 0.5% | 1 Year |
| Tier 2 | Hired on January 21, 2011 through December 31, 2012 | 3% @ 55 | 9% | 0.5% | 1 Year |
| Tier 3 | Hired on or after January 1, 2013* | 2.7% @ 57 | 12.25% | 0% | 3 Years |

Fire Safety Management Employees

| | Hire Date | Retirement Formula | Employee Contribution as of 7/1/13 | Employee Cost Sharing as of 2/2019 | Final Compensation Formula |
|--------|---|--------------------|------------------------------------|------------------------------------|----------------------------|
| Tier 1 | Hired on or before January 20, 2011 | 3% @ 50 | 9% | 0.5% | 1 Year |
| Tier 2 | Hired on December 9, 2011 through December 31, 2012 | 3% @ 55 | 9% | 0.5% | 1 Year |
| Tier 3 | Hired on or after January 1, 2013* | 2.7% @ 57 | 12.25% | 0% | 3 Years |

*** CalPERS Classic Members hired on or after January 1, 2013 will be enrolled in the Tier 2 retirement formula.**

The City participates in Social Security with all non-safety employees contributing to Social Security and Medicare. Safety employees do not contribute to Social Security. However, safety employees hired on or after April 1, 1986 are required to participate in Medicare.

Vacation: After six months of continuous employment, vacation is available to Management employees as accumulated. Employees earn paid vacation as follows:

| Years of Service | Vacation Hours Authorized Per Year | Accrual Rate Per Pay Period |
|------------------|---------------------------------------|--------------------------------|
| 0 – 60 Months | 80 | 3.077 |
| 61 – 120 Months | 120 | 4.615 |
| Over 120 Months | 160 | 6.154 |

Once an employee reaches the maximum accumulation of vacation hours (two and one-half times the annual allowance), the employee will not accumulate additional vacation until the vacation time is reduced below the maximum allowable.

Vacation Buy Back: Management employees may sell back anywhere from 40 to 60 hours of vacation in December of each year, based on the number of years of service. To be eligible Management employees must have used at least 80 hours of vacation and/or Administrative Leave during that year. The year begins and ends with the second pay period in November.

| Years of Service | Vacation Hours Available to Sell Back |
|------------------|--|
| 0 – 60 Months | 40 |
| 61 – 120 Months | 50 |
| Over 120 Months | 60 |

Sick Leave: Earned at the rate of 3.692 hours per pay period (96 hours per year).

Sick Leave Conversion: If no more than 40 hours of sick leave is used during a defined 12-month period, employees may convert a portion (above 192 hours) to either vacation or pay. The 12-month period begins and ends with the first pay period in November.

Unused Sick Leave Reimbursement: Management employees with ten (10) or more years of service shall be paid an amount equal to 40 percent of a maximum of 150 days (1200 hours) of the current cash value of the unused sick leave credited to his or her account upon normal or disability retirement, or death. Management employees with ten (10) or more years of service, who terminate for reasons other than retirement or death, shall be paid an amount equal to 25 percent of a maximum of 150 days (1200 hours) of the current cash value of the unused sick leave credited to his or her account.

Safety Management employees are also eligible to convert unused sick leave to additional service credit as provided in the City’s CalPERS contract. Any sick leave converted to cash will reduce the available time for conversion to years of service through CalPERS.

Holidays: Management employees receive their holidays in accordance with the provisions of the MOU for General Employees* (see exception below). The currently observed holiday schedule is as follows:

| | |
|-------------------------------|---------------------------------------|
| New Year's Day | Veteran's Day |
| Martin Luther King's Birthday | Thanksgiving Day |
| Memorial Day | Friday after Thanksgiving |
| Independence Day | Christmas Eve (last 4 hours of shift) |
| Labor Day | Christmas Day |

In addition, Management employees receive three floating holidays annually (Admission Day, Cesar Chavez's Birthday, and Presidents Day).

Unused floating holiday time may be accumulated from year to year without limit for employees hired prior to July 1, 1991. For employees hired on or after July 1, 1991, unused floating holidays may be accumulated up to a maximum of 160 hours. Additional floating holiday time will not be credited to an employee hired on or after July 1, 1991 if that employee has 160 hours accumulated holiday leave on the books at the time that the floating holiday occurs.

*Police Lieutenants are provided with an up-front posting of Holiday hours in accordance with the MOU for the La Mesa Police Officers' Association. Appointees to Police Lieutenant shall receive a prorated share of Holiday hours when appointed during the year. Police Lieutenants do not observe the holiday schedule listed above.

Promotions to Exempt Management Positions: Upon appointment to an exempt Management position, an employee will have up to six months to exhaust his/her Compensatory Time Off (CTO) bank. After six months, any remaining CTO balance shall be cashed-out at the employee's regular rate of pay. Payment shall be computed using the regular rate of pay at the time of payment.

Promotions to Fire Division Chief: Appointees to the position of Fire Division Chief (if promoted from suppression) shall have their sick leave and combined vacation/holiday banks reduced to ensure that the number of leave hours accumulated is commensurate with the employee's work schedule. The balance of the employee's sick leave and combined vacation/holiday banks at the time of promotion shall be multiplied by a factor of .7142. This factor is calculated by dividing 40 by 56. Following the reduction, all vacation/holiday hours shall be put in the employee's vacation bank. In addition the employee shall begin receiving Floating Holidays in the same manner as other Management employees. If the converted leave exceeds the employee's new vacation accrual limit, excess leave shall be placed into the employee's Floating Holiday bank.

Administrative Leave / Auto Allowance:

Executive Directors 80 hours Administrative Leave per calendar year (use or lose)
\$350 per month Automobile Allowance

| | |
|-------------------------------------|--|
| Assistant City Manager | Director of Community Services |
| City Clerk | Director of Finance |
| Deputy Fire Chief | Director of Public Works/City Engineer |
| Director of Administrative Services | Police Chief |
| Director of Community Development | Records & Elections Manager |

Division Managers 64 hours Administrative Leave per calendar year (use or lose)
\$225 per month Automobile Allowance

| | |
|------------------------------------|--------------------------------|
| Assistant Director of Public Works | Human Resources / Risk Manager |
| Building Official | Information Technology Manager |
| Community Services Manager | Police Captain |
| Finance Manager | Risk Manager |
| Fire Division Chief | Senior Planner |
| Fire Marshal | Superintendent of Public Works |
| Human Resources Manager | |

Other Management 40 hours Administrative Leave per calendar year (use or lose)
\$125 per month Automobile Allowance

| | |
|--|---------------------------------|
| Building Inspection Supervisor | Police Services Manager |
| Engineering Project Manager | Public Works Operations Manager |
| Management Analyst | Purchasing Officer |
| Police Lieutenant <i>(See note below regarding auto allowance)</i> | Senior Accountant |
| | Senior Management Analyst |

NOTES:

- Appointees to Management positions shall receive a prorated share of Administrative Leave when appointed during the year.
- Some positions are provided with take-home vehicles in lieu of auto allowance.
- In September 2007, Police Lieutenants stopped receiving auto allowance of \$125 per month and had their monthly salary increased by \$125.
- Management employees receiving an auto allowance are expected to use their personal vehicle for normal business travel within San Diego County. Use of a City vehicle for special circumstances must be approved by the employee's Department Head.
- Pursuant to La Mesa Municipal Code Section 32.16.150, all employees in the positions listed under Executive Directors and Division Managers who were hired on or after November 25, 2014 are "at-will" employees and serve at the pleasure of the City Manager. At-will employees do not serve a probationary period; they remain at-will for the duration of their employment.

Use of Paid Leave for Exempt Management Employees: Management employees are expected to charge appropriate leave banks for absences of two hours or more. Management employees are not required to charge their leave banks for absences of less than two hours.

Use of Paid Leave Upon Resignation: An employee who resigns shall not use paid leave to extend his/her resignation date. The last day worked shall be considered the date of resignation, and compensable accrued paid leave shall be paid off in lump sum.

Out-Of-Class Pay: Management employees may receive Out-Of-Class Pay when they are temporarily assigned to a higher job classification for a minimum of 80 hours. Recommendations for Out-Of-Class Pay shall be approved by the City Manager. Out-Of-Class Pay shall be at least five (5) percent above the employee's regular rate.

Salary Review: Management employees are eligible for a review of their salary following the completion of six months of service. Thereafter, Management employees are eligible for annual salary reviews. Merit increases shall be based on satisfactory performance evaluations. Salary increases generally occur in 5% increments. Salary increases of less than 5% or greater than 5% shall be approved by the City Manager.

Cafeteria Plan: The City offers a Cafeteria-style plan in which each employee receives a fixed amount of FlexNet credits to purchase health coverage. Health coverage is available through CalPERS. Dental is available through MetLife. A Vision Plan is available through EyeMed. Employees may also contribute pre-tax earnings into the City's Section 125 Flex Spending plan. Employees may make contributions for both health and dependent care reimbursement. Effective the second pay period in December 2018, the City shall make contributions to the cafeteria benefit plan according to the following formulas:

| | |
|-----------------------------------|------------|
| NO CITY HEALTH INSURANCE COVERAGE | \$115.00 |
| EMPLOYEE ONLY | \$624.72 |
| EMPLOYEE + 1 DEPENDENT | \$1,099.32 |
| EMPLOYEE + 2 OR MORE DEPENDENTS | \$1,434.58 |

Life Insurance: The City pays for the cost of life insurance in an amount equal to the employee's annual compensation. In addition, Management employees are provided with an additional \$25,000 in coverage. Employees may purchase voluntary life insurance up to 5x annual compensation (maximum of \$500,000) at a monthly cost of \$0.95 cents per \$10,000 of coverage. The City also purchases \$5,000 in life insurance for a Spouse and \$2,500 for each eligible Dependent Child. Spouse voluntary life insurance may be purchased in units of \$5,000 but cannot exceed 50% of the employee benefit. Child life insurance may be purchased in units of \$2,000 up to \$10,000.

Long Term Disability Insurance: The City pays for the cost of a Long Term Disability plan. The plan pays up to 66-2/3% of the first \$11,244 of salary per month (\$7,500 benefit amount). Benefits begin on the first day after 30 days of disability and continue through disability up to age 65.

Accident Indemnity/Critical Illness/Short Term Disability: The City provides voluntary benefits through The Standard. The personal Accident plan features benefits for emergency treatment, follow-up treatment, initial hospitalization, hospital confinement, physical therapy, accidental death, and other wellness benefits. The Critical Illness plan features benefits for heart attack, stroke, invasive cancer, major organ failure, and health maintenance screening wellness benefits. The Short Term Disability Income Protector provides a source of income while unable to work due to an accident or illness.

Employee Assistance Program (EAP): Provides confidential professional assistance to employees and family members who are experiencing personal problems (six sessions per EAP issue). There is no cost to the employee for EAP counseling. If further treatment is recommended, there may be costs to the employee and/or benefits may be coordinated with individual medical insurance plans.

Deferred Compensation: City employees have the opportunity to build their retirement savings and reduce taxable income by participating in the City's Section 457 deferred compensation program or the post-tax 457 Roth deferred compensation program. The City's plan is administered by the ICMA Retirement Corporation. Participation is handled through payroll deduction. The City does not make any contributions to this plan.

Tuition Reimbursement: The City provides up to \$2,000 in tuition reimbursement per fiscal year for pre-approved college courses. \$500 of that amount may be used for job-related non-college courses.

Bilingual Pay: Employees who are regularly required to use their bilingual or sign language skills in the performance of their duties may receive an additional \$50 per month.

Uniform Allowance: Provided to safety Management employees in accordance with applicable MOUs.

Jury Duty: Paid leave is granted to enable a Management employee to fulfill his/her duty as a citizen to serve as a juror, or as a prospective juror, or to serve as a witness in a court action to which the employee is not a party, before a Federal, Superior, or Municipal Court located in the County which the employee resides. Paid Court Leave shall also be granted by the City for employees required by the Court to serve on a Grand Jury. Paid leave shall not be granted when the employee is paid an expert witness fee.

Computer Loan Program: Employees may obtain an interest-free loan, up to \$2,500, to purchase computers, related equipment, and software. Employees must complete probation before they are eligible to receive benefits under this program.