

**RESOLUTION NO. 2020-97**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TORRANCE, CALIFORNIA, SETTING FORTH THE HOURS, WAGES, AND WORKING CONDITIONS FOR THE CITY MANAGER EFFECTIVE OCTOBER 1, 2020 AND REPEALING RESOLUTION NO. 2019-90**

The City Council of the City of Torrance does hereby resolve as follows:

**SECTION I**

That Resolution No. 2019-90 is repealed in its entirety.

**SECTION II**

The following compensation procedure for the City Manager is hereby approved in its entirety to read as follows:

**CITY MANAGER**

**2020**

**ARTICLE 1 – COMPENSATION**

**SECTION 1.1 METHODS OF COMPENSATION**

Effective October 1, 2020, the City Council sets the pay point for the City Manager as follows:

<b>Job Classification</b>	<b>Pay Rate</b>	<b>Pay Basis</b>
City Manager	\$23,617	Monthly

**SECTION 1.2 REQUIREMENTS AS TO CONTINUITY OF SERVICE**

Service requirements for holidays and vacation pay shall be based upon continuous and total service as a regular employee. Service requirements for holidays and vacation shall be the same as for Department Heads.

- A. Leave of absences are subject to approval of the City Council. Leaves of absence without pay of 10 working days or less, shall not interrupt continuous service nor be deducted from total service.
- B. Leaves of absence without pay in excess of 10 working days, except for extended military leave, shall be deducted in computing total service.

**ARTICLE 2 – BENEFITS**

**SECTION 2.1 INSURANCE**

Medical Insurance (*effective November 25, 2018*)

- A. The City shall pay the applicable monthly PERS minimum contribution per employee for active and retired employee health insurance. The PERS minimum contribution can only apply toward the health insurance plans. If the employee does not participate in the City’s insurance plans, the PERS minimum contribution cannot be used for any other purpose.
  
- B. Cost of Medical Insurance
  - 1. In addition to the PERS minimum contribution, the City shall provide active employees with an additional contribution which may be used by the employee to pay for approved health insurance plan premiums, dental, or vision insurance (“Cafeteria Contribution.”) The aggregate amount of the Cafeteria Contribution and the PERS minimum contribution shall be referred to as the “City Contribution.” The Cafeteria Contribution will be calculated by deducting the applicable PERS minimum contribution from the total City Contribution. The City Contribution cannot be taken in cash and will be made by the City to the extent of the eligible employee’s election of insurance pursuant to the limitations in this Section 2.6. Employees may opt-out of the City-offered benefits.

Effective January 6, 2019, the City Manager is eligible to receive the following City-provided health insurance:

	<b>No Coverage</b>	<b>1 Party</b>	<b>2 Party</b>	<b>3 Party</b>
Cafeteria Contribution	\$0	\$542.68 less the PERS Minimum Contribution	\$1,035.36 less the PERS Minimum Contribution	\$1,470.96 less the PERS Minimum Contribution

- 2. If the City Manager opts out of health insurance, then the following Cash-In-Lieu Payments provision will apply:
  - a. It is the intent of the parties to eliminate the payment that the City previously provided to those employees who opted-out of City health insurance (“cash-in-lieu”).
    - i. Full-time employees hired prior to June 26, 2007, who meet the following requirements will continue to receive cash-in-lieu payment of \$322.00 per month for as long as the employee continuously opts-out of coverage for consecutive plan years:
      - a. The employee received cash-in-lieu for the 2007 plan year.
      - b. The employee provides proof of minimum essential coverage (“MEC”) through another source (other than coverage in the individual market, whether or not obtained through Covered California) for the plan year for which the employee opts-out of City-offered coverage (“alternative required coverage”).

- c. The proof of coverage must show that the employee and all individuals in the employee's expected tax family have (or will have) the required MEC for the plan year.
        - d. The employee must provide reasonable evidence of the MEC for the applicable period by signing and submitting an attestation to the City.
        - e. The employee must provide such reasonable evidence and attestation of alternative coverage every plan year during open enrollment.
      - ii. The City will not provide the cash-in-lieu payment if it knows or has reason to know that the employee or tax family member does not have the alternative required coverage.
      - iii. If an employee receiving cash-in-lieu elects City coverage, the employee will no longer be eligible to receive future cash-in-lieu payments for opting-out of coverage in subsequent plan years.
      - iv. Employees hired after June 26, 2007 are not eligible to receive any cash-in-lieu.
- C. The City shall cover and provide the City Manager while employed a \$100,000 accidental and \$200,000 term life insurance policy. In accordance with insurance industry standards and provisions of the City's plan, benefits on the term life insurance are adjusted upon reaching age of 70 (65% of value) and the age of 75 (50% of value).
- D. Long Term Disability Insurance:
  - 1. The City Manager shall qualify for the commercial insurance long-term/short-term disability program and shall be covered as follows:
    - a. Two-thirds (2/3) base pay for a period as determined by the insurance carrier, after a 14-day waiting period, up to the limits of the policy.
    - b. Eligibility for all provisions of the commercial plan is in accordance with the commercial insurance policy.
    - c. An employee requesting receipt of such benefits will be decreed on a leave of absence and shall receive no other benefits except 2.1.A.1 and 2.1.A.2.
- D. Dental Insurance: employee plus one dependent coverage will be provided at no cost. This benefit has no cash value if not used.
- E. If the City Manager retires at the end of an eight-month medical leave of absence, he/she shall be paid an amount equal to four months of City health insurance contribution (including health contribution and City supplemental). Such amount shall not exceed the amount received by the employee immediately prior to separation of employment. The employee may choose to receive the full amount subject to applicable laws and statutes defer the funds to the City 457 plan within the plan guidelines, or receive a net check with the appropriate federal, state and social security deductions. This provision applies only to employees participating in a City-sponsored health insurance program at the time of termination or retirement.

## SECTION 2.2 RETIREMENT

- A. The City Manager shall be covered by the miscellaneous retirement plan provided by the City.
- B. 7% paid by the City for miscellaneous retirement shall be considered as employer-paid member contributions (EPMC) in accordance with Government Code section 20023.
- C. The PERS contract shall provide one-year final compensation provisions when calculating retirement benefits for miscellaneous employees.
- D. The PERS contract shall provide to miscellaneous members the 2% @ 55 full formula.
- E. A lump sum death benefit of \$5,000 will be paid to beneficiaries of retired members. This benefit will be applicable to deaths occurring after the effective date of the contract amendment.
- F. The PERS contract shall provide for the Pre-Retirement Optional Settlement 2 Death Benefit. Under this provision, the spouse of a deceased member, who was eligible to retire for service at the time of death, may elect to receive a monthly allowance in lieu of the lump sum Basic Death Benefit.
- G. Effective January 1, 2013, Section 2.2 of this Resolution will be implemented subject to the provisions of the 2013 Public Employees Pension Reform Act (PEPRA).
- H. Employees covered by this agreement hired on or after January 1, 2013 who do not qualify as "classic members" of PERS, shall be considered "new members" and shall be covered by the City's contract with PERS in the 2% at age 62 defined formula including military service credit purchase option with a final compensation calculation period of the final three years. Per PEPRA, employees shall be responsible for fifty percent (50%) of the normal cost attributable to the applicable retirement formula.

Note: The definition of "classic member" or "new member" is established per the California Public Employees Retirement System (CALPERS).

## SECTION 2.3 DEFERRED COMPENSATION PLAN

- A. The City Manager is eligible to participate in a 457 and/or 401(a) deferred compensation plan pursuant to this resolution.
- B. Deferrals in the 457 and 401(a) plans may be up to the limits set by law.
  - 1. If an employee is not participating in the 401(a) plan, the City will match an employee contribution to the 457 plan up to a maximum of 0.5% of base pay per calendar year.
  - 2. For a current employee as of July 1, 2001 who irrevocably elects to participate in the 401(a) plan, the City will match up to a maximum of 0.5% employee contribution placed in the 401(a) plan.
  - 3. An employee hired after July 1, 2001 will irrevocably be a participant in the 401(a) plan per this section.
- D. Retirement Health Savings Plan (RHSP) (**effective September 3, 2017**).
  - 1. For retiring or separating employees, the following shall apply:

- a. Upon retirement or separation, any hours under or equal to 500 (sick) and 500 (vacation) will be deposited into the International City/County Management Association (ICMA-RC) Retirement Corporation's VantageCare Retirement Health Savings Program, therein referred to as the RHSP Plan.
- b. Upon retirement or separation, the remaining balance up to limits allowed by law after which any remaining balance to be paid in cash will be disbursed into the City's 401(a) plan for participating employees. Employees without a 401(a) plan may either deposit the balance of hours into their 457 plan or take cash.

*Note:* If state, federal or PERS guidelines are changed regarding the employer's contribution to the deferred compensation program, moneys contributed by the employer to the deferred compensation program shall revert to another mutually accepted benefit of equal value.

## **SECTION 2.4 SICK LEAVE**

### **A. Sick Leave - City Manager:**

1. The City Manager shall earn sick leave at the rate of six (6) hours per month.
2. There shall be no maximum on the number of hours of unused sick leave that can be accumulated except as provided by the City Charter. Each day of sick leave earned after reaching the maximum accumulation shall be converted into cash and deposited into a deferred account at the rate of 100% hour salary for each hour of sick leave in lieu of being accrued.
3. Sick leave may be used for personal or family illness.
4. At time of termination after at least seven (7) years of service, each hour of earned unused sick leave shall be converted into cash or deferred income at the rate of ½ hour of pay for each hour of unused sick leave; upon retirement such conversion shall be at the rate of one hour of pay for each hour of unused sick leave; in case of death, conversion shall be at the rate of one hour of pay for each hour of unused sick leave to be paid to the employee's designated beneficiary.
5. The City Manager may elect to cash out unused hours of sick leave or defer hours of unused sick leave to the City's 457 deferred compensation plan. Each December any unused/accrued sick leave hours over 240 hours, will be deferred to the City's 401(a) deferred compensation plan.
6. The City Manager shall be covered by a long term disability insurance policy. The premiums shall be paid for by the City and the policy shall provide a 30 day waiting period, 50% compensation during illness after 30 days for 10 years in case of illness, or until age 65 in case of disability caused by accident. The policy shall include a premium refund for non-usage.
  - a. If there is a refund of non-used premiums, that refund amount shall be converted to sick leave hours, taking the City Manager's hourly pay rate and dividing that amount into the total refund.
  - b. Those sick leave hours can only be used for deferral purposes into the City's 401A or 457 deferred plans. They may not be used for sick pay.

- c. The entire amount of sick leave hours will then be deferred into the 401A or 457 deferred plans.
- d. The City Manager must fill out a form no later than October 15 of each year in order to make this deferral.
- e. The payment into the plan will be made the first pay period in November.

B. Notification of sickness:

1. To receive compensation while absent on sick leave, the City Manager shall notify the City Council stating the absence.
2. The City Manager may be required to furnish reasonable evidence, including a written statement from a medical professional, to substantiate any request for sick leave of five (5) days or more.

## **SECTION 2.5 INDUSTRIAL INJURY LEAVE**

A. For injuries sustained, the following applies:

In the event the City Manager sustains an injury or illness out of and occurring in the course of his/her employment with the City, he/she shall be entitled to industrial injury leave as follows:

1. Up to three (3) months during the first three (3) years of employment.
  2. Up to six (6) months during the fourth (4th) year of employment.
  3. Up to eight (8) months after four (4) years of employment for industrial injury.
  4. Such leave shall be at eighty-five percent (85%) of regular salary rate. Said leave shall terminate upon return to regular work or when the injury is deemed permanent or stationary, at the expiration of the maximum time period listed in his Section.
- B. An employee on industrial injury leave with pay as a result of an industrial injury shall continue to accrue seniority, and shall receive holidays, accrue vacation and sick leave benefits the same as if he/she had been present for duty.
- C. An employee on industrial injury leave shall be under the direction of the City Council subject to medical advice and shall be available at all times unless he/she receives specific permission from the City Council.
- D. An employee on industrial injury leave shall inform the city of any current outside employment and/or any such outside employment during the four (4) years immediately prior to such injury. An employee on industrial injury leave shall not enter into any employment or physical activity, as determined by an appropriate physician, which might exacerbate his injury or illness.

## **SECTION 2.6 ADMINISTRATIVE LEAVE**

The City Manager shall receive eight days of administrative leave per fiscal year. This leave may not be cashed out and is non-accruable.

## **SECTION 2.7 HOLIDAYS**

A. For the purpose of this Resolution, the following days shall be considered holidays with pay:

- New Year's Day
- Martin Luther King Jr.'s Birthday
- Lincoln's Birthday
- Washington's Birthday
- Memorial Day
- Independence Day
- Labor Day
- Veterans Day
- Thanksgiving Day
- Day after Thanksgiving
- Last working day prior to Christmas Day
- Christmas Day
- Last working day prior to New Year's Day

B. When a holiday occurs on Saturday, the day immediately preceding will be observed as the holiday. When a holiday occurs on Sunday, the day immediately following will be observed as a holiday, if a holiday falls on any other scheduled day off, the City Manager may take another day off.

C. A holiday shall be construed as the value of the normal work shift.

## **SECTION 2.8 HOLIDAYS FOR 9/80 PARTICIPANTS**

If a holiday falls on any scheduled day off, the City Manager shall receive eight (8) hours vacation leave.

## **SECTION 2.9 VACATION**

A. The City Manager shall earn vacation as follows:

1. The rate of 9.33 hours per month of service
2. Commencing with the 2<sup>nd</sup> year of service, at the rate of 10 hours per month of employment.
3. Commencing with the 5<sup>th</sup> year of service at the rate of 12.67 working hours per month of employment.
4. Commencing with the 10<sup>th</sup> year of service, at the rate of 16.02 working hours per month of employment.
5. Commencing with the 21<sup>st</sup> year of service, at the rate of 17.34 hours per month of employment.
6. Commencing with the 25<sup>th</sup> year of service, at the rate of 18 hours per month of employment.

B. The City Manager shall earn vacation only while receiving compensation from or through the City.

C. Scheduling:

The time of taking vacation shall be determined by the City Manager. The City Manager shall give notice to the City Council.

D. Effect of Separation:

For Non-Participating Employees of the 401(a) deferred compensation plan, any vacation owed to a separating employee shall be added to the employee's final pay or may be deferred into the 457 deferred plan up to the maximum limits.

E. Effect of Holidays:

When an authorized holiday occurs during a vacation period, such days shall not be deducted from earned vacation.

F. Maximum vacation that can be accrued is governed by the provision of the City Charter.

G. Vacation leave is allocated on an hour by hour basis.

H. At the time of retirement, accumulated unused balances for vacation and sick leave is subject to section 2.3D of this resolution.

I. The City Manager may elect to cash out unused hours of vacation leave or defer hours of unused vacation leave to the City's 457 deferred compensation plan. Each December any unused/accrued vacation leave hours over 240 hours, will be deferred to the City's 401(a) deferred compensation plan.

## **SECTION 2.10 BEREAVEMENT LEAVE**

Each Management employee shall be entitled to up to three (3) work shifts of bereavement leave with pay per death of a covered family member. Additional leave, up to two (2) work shifts may be granted due to an out-of-state death, or in the state in excess of 300 miles from the borders of the City of Torrance

A. Such bereavement leave shall apply to a death in the immediate family.

B. Immediate family shall have the same meaning as used with regard to family sick leave. In addition, up to one work shift of this leave may be used for a relative not named in the sick leave listing, subject to approval by the City Council.

C. Such bereavement leave shall not be accruable from year to year nor shall it have any monetary value if unused.



## **SECTION 2.11 VEHICLE ALLOWANCE**

### **A. Car Allowance**

1. The City Manager shall receive a car allowance as specified by the City Council. Such allowance is not intended to cover mileage reimbursement for business trips of over 25 miles each way. Such excess miles (over 50 miles round trip) shall be reimbursed at the City's specified rate.
2. This car allowance is separate from base pay.

## **SECTION 2.12 JURY DUTY**

An individual who is duly summoned to attend any court, during the time regularly required for his office or employment, for the purpose of jury service shall be entitled, while so engaged and actually serving, to this regular compensation, provided that he deposits his jury service fees pursuant to the provisions of Administrative Rules.

## **SECTION 2.13 REIMBURSABLE EXPENSES**

- A. The City shall reimburse costs up to \$1,500.00 per fiscal year for the City Manager for the following eligible expenses:
1. Employee medically-related purposes such as medical examination and treatment, optical, dental, or prescription drugs, or family counseling for the management employee or dependent.
  2. Tuition or training reimbursement.
  3. Acquisition of City compatible computer hardware, software or peripheral equipment.

**SECTION III SEVERABILITY**

If any section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Resolution. The City Council hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

**INTRODUCED, APPROVED, and ADOPTED** this 15th day of September, 2020.

  
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Mayor Patrick J. Furey

APPROVED AS TO FORM:  
PATRICK Q. SULLIVAN, City Attorney

ATTEST:

  
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Tatia Y. Strader, Assistant City Attorney

  
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Rebecca Poirier, MMC, City Clerk


**TORRANCE CITY COUNCIL RESOLUTION NO. 2020-97**

STATE OF CALIFORNIA )  
COUNTY OF LOS ANGELES ) ss  
CITY OF TORRANCE )

I, Rebecca Poirier, City Clerk of the City of Torrance, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Torrance at an adjourned regular meeting of said Council held on the 15th day of September, 2020 by the following roll call vote:

AYES: COUNCILMEMBERS Ashcraft, Chen, Goodrich, Griffiths, Kalani, Mattucci, and Mayor Furey.  
NOES: COUNCILMEMBERS None.  
ABSTAIN: COUNCILMEMBERS None.  
ABSENT: COUNCILMEMBERS None.

Date: 9/21/20

  
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Rebecca Poirier, MMC  
City Clerk of the City of Torrance