

RESOLUTION NO. 2023-24

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIMI VALLEY ESTABLISHING TERMS AND CONDITIONS OF EMPLOYMENT FOR CONFIDENTIAL-DESIGNATED EMPLOYEES, AND REPEALING RESOLUTION NO. 2021-51 AND PREVIOUS RESOLUTIONS TO THE EXTENT THAT THEY ARE IN CONFLICT HEREWITH

WHEREAS, the City Council has reviewed the terms and conditions for Confidential-designated employees; and

WHEREAS, the City Council desires to incorporate changes to such Confidential-designated employees' terms and conditions for the remainder of Fiscal Year 2022-23 and Fiscal Years 2023-24 and 2024-25; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SIMI VALLEY DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The salary, benefits, and other terms and conditions of employment for Confidential-designated employees shall be as in Exhibit 1 attached hereto.

SECTION 2. All previous resolutions related to salary, benefits, and other terms and conditions of employment for Confidential-designated employees are hereby repealed to the extent that are in conflict with this resolution.

SECTION 3. The provisions of Exhibit 1 attached hereto shall be effective as of May 8, 2023, unless otherwise specifically indicated within Exhibit 1.

SECTION 4. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the Office of the City Clerk.

PASSED and ADOPTED this 1<sup>st</sup> day of May 2023.

**Attest:**

DocuSigned by:  
*Lucy Blanco*  
2C09E36DD6CF450...  
Lucy Blanco, City Clerk

DocuSigned by:  
*Fred D. Thomas*  
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Fred D. Thomas, Mayor of the City of Simi Valley, California

**Approved as to Form:**

DocuSigned by:  
*David L. Caceres*  
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David L. Caceres, City Attorney

**Approved as to Content:**

DocuSigned by:  
*Brian Paul Gabler*  
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Brian Paul Gabler, City Manager

DocuSigned by:  
*Samantha Argabrite*  
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Samantha Argabrite  
Assistant City Manager

CERTIFICATION

I, City Clerk of the City of Simi Valley, California, do hereby certify that the foregoing is a full, true, and correct copy of Resolution No. 2023-24 which was regularly introduced and adopted by the City Council of the City of Simi Valley, California, at a regular meeting thereof held on the 1<sup>st</sup> day of May 2023, by the following vote of the City Council:

AYES: Council Members Rhodes, Litster, Cavanaugh, Mayor Pro Tem Judge and Mayor Thomas

NAYS: None

ABSENT: None

ABSTAINED: None

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Simi Valley, California, dated June 6, 2023.

DocuSigned by:  
*Lucy Blanco*  
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\_\_\_\_\_  
Lucy Blanco  
City Clerk

**EXHIBIT 1**1. Salary Compensation

- a. The hourly salary ranges for Confidential-designated positions updated as of July 4, 2022, shall be as follows:

<b>Job Title</b>	<b>Hourly Salary Range</b>		
Administrative Services Director	\$ 67.8811	-	\$ 88.2448
Assistant City Manager (Confidential)	\$ 71.2849	-	\$ 92.6706
City Attorney	\$ 93.8408		\$ 121.9919
City Manager	\$ 117.0302		\$ 140.4364
Deputy Human Resources Director	\$ 58.2201	-	\$ 75.0253
Senior Assistant City Attorney (Confidential)	\$ 65.3451	-	\$ 84.2876
Senior Human Resources Analyst (Confidential)	\$ 42.3242	-	\$ 54.3583

- b. All employees in Confidential-designated positions shall be placed within the ranges in Section 1.a. of this Exhibit. Except as provided herein, the position within the salary range shall be determined by merit.
- c. Confidential Executive Management shall be reviewed annually in July of each year. Confidential Executive Management includes the titles of Assistant City Manager, and Administrative Services Director. Confidential Management Employees (all employees in Confidential Management-designated positions except for Confidential Executive Management, the City Manager, and the City Attorney) shall be reviewed annually on their respective anniversary dates. The City's merit pay policy shall generally provide for merit salary increases up to 5% (not to exceed the top of the established range for the position classification) on the employee's anniversary date, based on continued meritorious and efficient service. An additional 1% if it is within the range may be granted for exceptional service and work above and beyond the call of duty based on the City Manager's approval.
- d. Employees that are temporarily assigned to work in an upgraded (higher level) position/classification for a limited duration (not merely performing some additional duties of the higher-level classification) shall receive the minimum salary for the position to which assigned, or an additional 5.5% of the employee's current salary, whichever is greater. In no case shall the adjusted salary be greater than the maximum salary for the position to which assignment has been made. Payment will be effective the first day of the temporary acting assignment, and the City will report to CalPERS the temporary upgrade/acting pay as special compensation with the exception of New Members.
- e. Effective May 8, 2023, a six percent (6%) cost of living increase (COLA) will be applied to all pay ranges and incumbents.
- f. Effective May 6, 2024, a four percent (4%) cost of living increase will be applied to all pay ranges and incumbents.

## 2. Allowances

Mileage Allowance – Effective June 23, 2008, Confidential Executive Management shall receive a monthly mileage allowance in the amount of \$400. The mileage allowance is granted in lieu of mileage reimbursement for use of a personal vehicle on City business within the City. The City Manager and City Attorney have a mileage allowance provided as part of their employee agreement.

## 3. Health Plans & Flexible Benefits Plan

### Medical Insurance

Effective January 1, 2014, the City contracted with the Public Employees' Retirement System for medical insurance through the Public Employees Medical and Hospital Care Act ("PEMHCA").

For employees enrolled in a CalPERS plan, the City shall pay the required statutory minimum on behalf of each employee. The minimum contribution will apply only toward the medical insurance premium for a CalPERS Health plan. If an employee chooses not to enroll in a CalPERS Health plan, the minimum contribution cannot be used for any other purpose.

If CalPERS changes any of the medical insurance plans by either adding to or deleting the plan options, employees will be limited to those plan options offered by CalPERS.

### Dental and Vision Insurances

Effective as of the January 1, 2019 Plan Year, the City shall contribute up to \$100.00 per month (\$46.15 per pay period) for dental insurance.

Effective August 1, 2005, the City shall contribute up to \$19.80 per month (\$9.13 per pay period) for vision care insurance.

Contributions for part-time employees are prorated based on their part-time status (i.e., a 50% part-time employee will receive \$50.00 per month for dental insurance and \$9.90 per month of the City's contribution toward vision care.)

For both Dental and Vision Insurances, the City's contribution is split between the first and second paycheck of each month.

### Simi Flex Dollars

In addition to the City's payment of a portion of employees' medical, dental, and vision insurance premiums as described above, eligible regular employees are provided with a flexible benefit plan package (Simi Flex dollars), which could be used by the employee to offset the cost of medical, dental, or vision insurance, or other optional benefits. The Simi Flex amount varies depending upon the employee group and the medical plan selected. Contributions for part-time employees are prorated based on

their part-time status (i.e., a 50% part-time employee will receive half of the City's Simi Flex contribution provided to a full-time employee.)

Maximum monthly Simi Flex amounts for employees who are enrolled in a City medical insurance plan are determined as follows:

Since there was an overall decrease in the average premium cost of the four (4) medical insurance plans with the highest enrollment from Plan Year 2021 to Plan Year 2022, the Base Simi Flex Amount in 2022 remains static and the results are shown in the table below:

	<b>2021 Simi Flex Monthly Maximum</b>	<b>2022 Simi Flex Monthly Maximum</b>
<b>Management Employees</b>		
With Medical Insurance*	\$2,202.18	\$2,202.18
Without Medical Insurance (Opt Out)	\$335.83	\$335.83
<b>Executive Management</b>		
With Medical Insurance*	\$2,499.02	\$2,499.02
Without Medical Insurance (Opt Out)	\$632.66	\$632.66

\*After deducting the employee's medical insurance out-of-pocket costs (premium less PEMHCA minimum employer medical insurance contribution), the remaining Simi Flex cash balance shall not exceed the Opt-Out amounts shown above.

Effective for the January 1, 2023, Plan Year, the City's contribution to the Flexible Benefit Plan (Simi Flex) will be increased, if necessary, by an amount equal to eighty percent (80%) of any premium increase in the average of the four (4) medical insurance plans with the highest enrollment above the existing 2022 premiums at the Family level. For the 2023 Plan Year, the maximum monthly Simi Flex was \$2,443.24 for Confidential Executive Management and \$2,269.44 for Confidential Management. These maximum Simi Flex amounts will stay static for the 2024 and 2025 Plan Years.

#### 4. Continuation of Health Plan Coverages

Effective August 1, 2001, employees who retire may elect to remain on the City's dental and vision plans, at the premium rates, subject to the carriers' terms.

#### 5. Retiree Health Premium Coverage

The City shall contribute amounts for health premium coverage under the City's group health plans, for employees who retire from the City of Simi Valley after July 2, 1990, and were hired prior to June 21, 2010 (as designated below). Employees hired on or after June 21, 2010, are not eligible to receive current retiree health insurance benefits (as designated below), but rather will receive a contribution in the amount of \$200.00 per month during employment placed into a retiree health savings account or similar

program. Employees hired June 20, 2010, or before are not subject to this provision upon promotion.

Effective June 21, 2010, eligible employees who retire from the City of Simi Valley may select one of the following options for health coverage:

#### Option One

The City shall contribute equal to employee-only coverage for up to \$1,500 per month on the City's group health plan for up to 120 months (10 years) after the date of retirement for employees that served ten (10) years or more with the City prior to retirement.

#### Option Two

The City shall contribute equal to employee-plus-one coverage up to \$1,500 per month on the City's group health plan for up to 60 months (5 years) after the date of retirement for employees that served ten (10) years or more with the City prior to retirement.

Effective July 2, 2001, retiring eligible employees (hired prior to June 21, 2010) who have worked for the City for over twenty (20) years will be eligible for additional years of medical coverage. For every year worked for the City beyond twenty (20), the retiring employee will be eligible for an additional year of medical coverage under Option One or one-half year under Option Two.

Effective January 1, 2014, the City contracted with the Public Employees' Retirement System for medical insurance through the Public Employees Medical and Hospital Care Act ("PEMHCA"). All benefits shall be provided in accordance with PEMHCA regulations.

For retirees enrolled in a CalPERS plan, the City shall pay the required statutory minimum on behalf of each eligible retiree. The minimum contribution will apply only toward the medical insurance premium for a CalPERS Health plan. If a retiree chooses not to enroll in a CalPERS Health plan, the minimum contribution cannot be used for any other purpose.

If CalPERS changes any of the medical insurance plans by either adding to or deleting any of the plan options, retirees will be limited to those plan options offered by CalPERS.

#### CalPERS Health Plan Requirements for Retirees:

In order to qualify for coverage under the City's medical insurance plans in retirement, retirees must meet the following CalPERS Health Plan requirements, along with any additional requirements as dictated by CalPERS and applicable laws:

- Retire from the City of Simi Valley within 120 days of separation from employment;
- Be eligible for health benefits upon separation; and,
- Receive a monthly CalPERS retirement allowance.

In the event of the death of a retiree, a surviving spouse is eligible for coverage under the City's medical insurance plans so long as they continue to receive a pre-selected allocation of the retiree's retirement allowance in place of the deceased retiree. The CalPERS Health Plan is tied to the CalPERS pension benefit, such that, if the surviving spouse does not receive the retiree's retirement allowance (for example, the retiree selected Unmodified Allowance or Option 1 at the time of retirement), the surviving spouse will not be eligible for the City's medical insurance plans upon the death of the retiree.

Sharing the City Medical Insurance Contribution with a Spouse:

Employees who have earned a City medical insurance contribution (as described in Section 5 Retiree Health Premium Coverage) can apply the City medical insurance contribution to cover a spouse for all or a portion of the earned period of time, so long as the retiree and the spouse continue to meet the CalPERS Health Plan requirements.

For example, if the retiree earned a City contribution towards medical insurance for a 10-year time period, the retiree may elect to apply the contribution to cover him/herself and a spouse for 2 years, and him/herself only for the remaining 6 years. The retiree must designate, at the time of retirement, how the City's medical insurance contribution will be applied. Changes will not be permitted once the designation is complete. The retiree is required to be the insured on the medical plan; a spouse may not participate in the medical plan without the retiree, except in the event of death of the retiree as outlined below.

In the event of the death of a retiree, a surviving spouse, who meets the CalPERS Health Plan requirements, will continue receiving the City medical insurance contribution for the remainder of the earned period of time as elected by the retiree at the time of retirement, or until the spouse remarries, whichever occurs first.

Delay of City Medical Insurance Contribution:

Retirees may elect to delay receiving the City medical insurance contribution for up to five years from their separation date so long as they meet the CalPERS Health Plan requirements. If the separated employee does not meet the CalPERS Health Plan requirements upon retirement, they will not be eligible for enrollment in the City's medical insurance plans and will not qualify to receive the City retiree medical insurance contribution. Retirees may only enroll in the City's health plans during an open enrollment period, which usually occurs in September/October each year as stipulated by CalPERS, with an effective date of January 1 of the following year. It is the retiree's responsibility to enroll in a medical plan during an open enrollment period occurring prior to the deferment deadline in order to begin receiving the City medical insurance contribution. The City will not provide reminders or notices that the deferment period is ending. Retirees who do not enroll in a City medical plan prior to the end of the deferment period will not be eligible to receive any portion of the City medical insurance contribution.



6. Life Insurance

Employees shall be included in the group term life insurance under the terms of the City's policy. The City shall contribute an amount equal to the monthly premium amount for the designated amount of insurance including accidental death and dismemberment coverage and dependent life insurance.

The amount of accidental death and dismemberment life insurance coverage shall be \$151,000 for Confidential Executive Management and \$101,000 for all other Confidential Management Employees, except for the City Manager and City Attorney. Life insurance coverage details for the City Manager and City Attorney are outlined in their respective employment agreements.

Effective July 2, 1990, the City shall provide coverage in the amount of \$5,000 for the employee's spouse and eligible dependents as defined under the plan.

7. Short-Term/Long-Term Disability Insurance

Employees shall receive short-term and long-term disability insurance under the terms of the City's policy. The short-term disability benefit begins on the 8th day of absence (or first day if the employee is hospitalized) and continues for 180 days (6 months). The long-term disability policy begins on the 181st day. The City shall contribute an amount equal to the monthly premium for such coverage. Effective July 1, 2005, the monthly benefit for short-term and long-term disability shall be 66-2/3 percent of salary to a maximum monthly benefit of \$9,500.

8. Public Employees' Retirement System

Employees shall be included as members in the Public Employees' Retirement System (PERS) under the provisions of the City's contract with PERS. The City shall pay according to the following provisions:

Employees must participate in the retirement plan for at least five (5) years in order to be vested and eligible for retirement benefits. The minimum retirement age is fifty (50).

Effective November 5, 1993, the City amended its contract with the Public Employees' Retirement System to permit employees to purchase up to four years of service credit for any continuous active military or merchant marine service prior to employment.

Definitions

"Classic Member" is defined by the California Public Employees' Retirement System (CalPERS) as an employee who has been a member of any public employee retirement system or plan prior to January 1, 2013. An employee is considered a Classic Member if he or she does not meet the definition of a "New Member" as defined by Section 7522.04(f) of the California Government Code.

"New Member" is defined by Section 7522.04(f) of the California Government Code. Generally, with limited exceptions, a New Member is an employee who is hired on or after January 1, 2013, by a public entity.

The City will provide the following defined benefits for employees:

Tier 1	Classic Member (Non-Sworn)	2% @ 55	Hired prior to 1/1/2013 and reciprocal transfers
Tier 2	New Member (Non-Sworn)	2% @ 62	Hired on or after 1/1/2013

Classic Tier 1 Summary of CalPERS Contract Provisions:

- One Year Final Compensation - Single Highest Year
- 4<sup>th</sup> Level 1959 Survivor Benefits
- Pre-Retirement Optional Settlement 2 Death Benefit
- Military Service Credit as Prior Service
- Public Service Credit for Peace Corps or AmeriCorps Vista Service
- Employer Paid Member Contributions (EPMC), currently three percent (3%) of the employee's pensionable income for Management is reported to CalPERS as special compensation.

Classic Tier 1 Non-Sworn Members shall contribute seven percent (7%) of total pensionable income to their CalPERS retirement plan, with three percent (3%) reported to CalPERS as EPMC (special compensation).

New Member Tier 2 Summary of CalPERS Contract Provisions:

- Three Year Final Compensation – Highest average annual final compensation during a consecutive 36-month period subject to cap
- 4<sup>th</sup> Level 1959 Survivor Benefits
- Pre-Retirement Optional Settlement 2 Death Benefit
- Military Service Credit as Prior Service
- Public Service Credit for Peace Corps or AmeriCorps Vista Service

New Member Tier 2 employees are required to contribute at least 50% of the normal costs which are subject to changes on an annual basis based on actuarial analysis.

New Member Tier 2 Non-Sworn members shall contribute the PEPRA contribution rate as periodically updated by actuarial of total pensionable income to their CalPERS retirement plan, which is applied toward the member portion.

## 9. Annual Leave

Employees shall accumulate Annual Leave at the following rates:

<b>Years of Continuous Service</b>	<b>Effective 1/22/18</b>
10 or more years and all Confidential Executive Management	279.5 hours per year / 10.75 per pay period
5 or more years	267.54 hours per year / 10.29 per pay period

Less than 5 years	227.5 hours per year / 8.75 per pay period
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Accruals shall be prorated for part-time employees and granted each pay period. The maximum accrual shall be 800 hours. This accrual limit shall not apply to the positions of City Manager and City Attorney.

Conversion to Salary - Employees may convert Annual Leave accumulations to salary in accordance with the terms set forth below.

A. Eligibility.

This provision applies only to those employees with one or more years of service with the City as of the first working day of December in the year which the conversion is requested and who has a balance of 20 hours remaining after deduction of the hours subject to the cash out election.

In addition, an employee must use forty (40) hours of accrued annual leave during the twelve (12) months immediately preceding the submission of the cash-out election. For this purpose, "use" shall mean actually taking time off work and being paid annual leave pay for such time off.

If an employee has not met the foregoing requirements, the employee will not be eligible to make a cash out election.

B. Cash Out Terms.

Employees will have the opportunity to declare their intent to cash out annual leave that will accrue after the election in accordance with the following conditions:

1. No less than 8 hours and not more than 235 hours (for employees with 5 or more years of service) and 209 hours (for employees with 1 – 4 years of service) of annual leave may be converted to salary during a fiscal year.
2. By December 15 of each year, employees can declare their intent to cash out annual leave that they will earn during the following calendar year. Only annual leave hours accrued in the calendar year for which an election is made may be cashed out. Cash outs for annual leave hours accrued in a prior calendar year are not allowed. For example, elections made by December 15, 2021, shall apply to hours accrued in 2022.
3. There will be two pay out opportunities available to employees. The first pay out date will be the first pay date in July, and the second pay out date will be the first pay date in November.
4. Once an election is made, it cannot be rescinded.
5. Cash out amounts will be based on the employee's base hourly rate of pay at the time of the pay out.

Employees will be eligible for partial cash outs if the full amount of hours elected are not available at the elected time of cash out. For example, if an employee elects to cash out 40 hours of Annual Leave, but only 20 hours are available, 20 hours would be cashed out.

Employees will be required to complete the City's standardized Annual Leave Cash Out Form by December 15 of the calendar year prior to the calendar year in which the employee wishes to redeem annual leave hours for cash. Failure to submit an Annual Leave Cash Out Form with an irrevocable election by December 15 of each year shall be the same as not electing to cash out annual leave during the following calendar year.

Annual leave hours used for paid time off will be deducted first from annual leave hours accrued in prior calendar years, and last from annual leave hours accrued in the current calendar year.

#### C. Exception – Unforeseeable Emergency

Employees who experience an unforeseeable emergency may elect to cash out annual leave hours, including hours that have accrued. For these purposes, "unforeseeable emergency" means a severe financial hardship to the employee resulting from an illness or accident of the employee, the employee's spouse, or a dependent of the employee, loss of the employee's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the employee. The amount of the cash out shall be limited to the amount necessary to satisfy the unforeseeable emergency plus an amount necessary to pay taxes reasonably anticipated as a result of the cash-out. Whether an occurrence is an unforeseeable emergency shall be determined by the City in its sole discretion.

#### D. Reopener

If it is subsequently determined by the City, the Internal Revenue Service, a court of competent jurisdiction or another governing authority that the leave redemption provisions in place prior to October 2021 or substantially similar, will not trigger constructive receipt of income from accrued leave, the Confidential Employee Group, at its sole option, compel the City to reopen negotiations in order to restore the leave redemption provisions in place in October 2021 or something substantially similar that will not trigger constructive receipt of income from accrued leave.

#### 10. Holidays

The following dates shall be considered as holidays for employees and are paid to the work schedule for that day. If the holiday is on the regular day off, then the holiday will be accrued at eight (8) hours:

Independence Day  
Labor Day  
Veteran's Day

Thanksgiving Day  
Day after Thanksgiving Day  
Day before Christmas  
Christmas Day  
New Year's Day  
Martin Luther King, Jr. Day  
President's Day  
Memorial Day

Holidays will be observed in accordance with the Management Employees' Manual. Whenever any of the listed holidays fall on Sunday, the holiday shall be observed by the City on the following Monday. Whenever any holiday falls on a Saturday, the preceding Friday shall be observed by the City as a holiday.

#### Floating Holiday

Effective with the January 15, 2016 pay check, and with the first January pay check of each year thereafter, an 8-hour floating holiday shall be added for use by all regular full-time employees. Regular part-time employees shall receive a pro-rated floating holiday benefit based on their part-time status (i.e., a 50% part-time employee will receive 4 hours.) The floating holiday benefit may be used by employees in whole or in part at any time during the calendar year for which it is granted, however, it may not be cashed out. Any part of the floating holiday benefit that is not used will expire at the end of the last pay period in the calendar year. The use of floating holidays is subject to the scheduling and approval provisions of Policy 27, Annual Leave, in the Management Employees' Manual.

#### 11. Annual Physical

Confidential Executive Management may receive an annual physical examination at City expense not to exceed \$300 beyond health benefits otherwise provided for physical examinations.

#### 12. Tuition Reimbursement

Effective July 1, 2007, employees may receive reimbursement for tuition expenses as outlined in Policy 24, Training and Tuition Reimbursement, in the Management Employees' Manual to a maximum of \$1,600 per fiscal year.

#### 13. 401(k) Plan

A 401(k) deferred compensation program is available to all employees. A Roth 401(k) option is also available.

Effective June 21, 2010, the City shall contribute to the City's 401(k) Plan the amount of \$30.00 per bi-weekly pay period for Confidential Executive Management employees. Effective with the November 13, 2020 paycheck, the City will also contribute an amount equal to 100% of a Confidential Executive Management or Confidential Management Employee's pre-tax voluntary contribution to the 401(k) Plan up to a maximum amount of \$92.31 per pay period (\$200 per month).

14. 457 Plan

Effective July 1, 2002, employees shall be eligible to participate in the City's 457 deferred compensation plan.

15. Substance Abuse Policy/Employee Assistance Program

The City shall continue a Substance Abuse Policy/Employee Assistance Program, applicable to all employees, in concert with the City's commitment to assuring a drug and alcohol-free workplace.

16. Alternative Work Week

Effective June 29, 1992, an alternative 38-hour workweek option shall be made available to employees. The option will consist of a 9½ hours per day, four days per week schedule, with participation subject to City Manager review and approval. Participants shall receive a salary reduction, to cover a pro-rated reduction in benefit cost (the reduction will be calculated at the time of request).

17. Disciplinary Action

Effective June 26, 2006, counseling memoranda and written reprimands that are at least three years old and any future counseling memoranda and written reprimands that become three years old, shall at the request of the employee be sealed. Sealed files will be temporarily removed from the employee's file immediately prior to anyone inspecting the employee's file, and can be reviewed only by the City Manager.

18. Other Terms and Conditions of Employment

The remaining terms and conditions of employment for employees shall be as provided in the applicable sections of the Management Employees' Manual or as determined by the City Manager.