

ATTACHMENT 1

1. Vacation

A. Vacation Leave Accrual Rate

Vacation leave hours shall accrue at the rate specified in the below table. The City Council may at their discretion set an annual vacation accrual rate above the accrual rate in the below table. Effective November 1, 2021, PEGGY FLYNN will accrue vacation at the annual vacation accrual rate of 120 hours and be subject to the 360 hours accrual limit.

Years of Service	Vacation Accrual (hrs)	Accrual Limit (hrs)
0-4	80	240
5-9	120	360
10	128	384
11	136	408
12	144	432
13	152	456
14	160	480
15	168	504
16	176	528
17	184	552
18	192	576
19 or greater	200	600

The total amount of accrued but unused vacation may not exceed three (3) times the rate of annual accrual as specified in the schedule above. Upon separation from employment PEGGY FLYNN shall be paid for all accrued unused vacation leave.

B. Vacation – Payout ~~(effective following November 1, 2021)~~

During the month of December of each year, PEGGY FLYNN may make an irrevocable election to cash out up to forty (40) hours of vacation in the following calendar year if she has at least one hundred and twenty (120) hours of accrued but unused vacation. Vacation payouts under this section will be made in October of the tax year following the election. PEGGY FLYNN must have a minimum balance of forty (40) hours after the cash out of vacation. If PEGGY FLYNN's requested amount does not leave a minimum forty (40) hours of vacation remaining at the time of cash out, her requested vacation cash out will be reduced to allow the remaining minimum balance to be maintained.

2. Sick Leave

A. Sick Leave – Eligibility

Sick leave is not a right, which may be used at discretion, but rather, sick leave shall be used only in case of personal illness, disability or the serious illness or injury of a family member, which requires the attention of PEGGY FLYNN. The term family members shall include: spouse, children, parents, spouse's parents, brothers, sisters or other individuals whose relationship to PEGGY FLYNN is that of a dependent, or as determined by law ~~near dependent~~.

B. Sick Leave – Accrual

Sick leave shall accrue at the rate of eight (8) hours for each month of continuous service.

~~C. Sick Leave – Transfer~~

~~If PEGGY FLYNN wishes to donate hours of sick leave to another employee she may do so by sending a written request to the Human Resources office naming the individual to receive the sick leave and the amount donated, with the following restrictions:~~

~~i. PEGGY FLYNN must retain a minimum of 160 hours of sick leave to be eligible to transfer sick leave.~~

~~ii. Transfer amounts shall be limited to the number of actual hours needed and used by the receiving employee.~~

~~iii. Any donated sick leave hours unused by recipient shall be returned to the donor. The employee receiving the sick leave transfer must have zero (0) hours of accrued sick leave, vacation, and CTA leave on the books.~~

~~iv. Employees may not buy or sell sick leave. Only the time may be transferred.~~

~~v. Employees may not transfer sick leave upon separation of service.~~

~~vi. Transfer of sick leave shall be allowed.~~

~~vii. No more than ninety (90) workdays of sick leave may be received by an employee for any one illness or injury.~~

CD. Sick Leave – Retirement Payout

In the event of the death or retirement and the completion of ten (10) or more years of continuous employment with the City, PEGGY FLYNN shall be paid or shall receive a benefit of fifty percent (50%) of her accumulated but unused sick leave not to exceed four-hundred-eighty (480) hours. She may elect not to receive this benefit and instead place all sick leave hours into the CalPERS sick leave conversion benefit.

D. Sick Leave – Conversion

In February of each year, PEGGY FLYNN may convert a maximum of one hundred sixty (160) hours of sick leave to vacation at a ratio of four (4) sick leave hours to one (1) vacation hour. Example: PEGGY FLYNN requests conversion of 160 hours of sick leave; 40 hours of vacation leave are added to her vacation bank. PEGGY FLYNN must have at least eighty (80) hours remaining in her sick leave bank after the conversion. Such conversion does not impact the ongoing accrual of sick leave at the rate of eight (8) hours for each month of continuous service.

3. Holidays and Holiday Leave

The City observes twelve (12) fixed-date holidays. These holidays are established for the City's fiscal year as determined by City Council resolution.

The holidays for fiscal year ~~221~~/232 are as follows:

Independence Day
Labor Day
Veterans' Day
Thanksgiving Day
Day after Thanksgiving
Christmas Eve
Christmas Day
New Year's Day
Martin Luther King Day
Presidents' Day
Cesar Chavez Day
Memorial Day

Observance: The actual date of the observed holidays is determined by City Council resolution each fiscal year. -If participating in a 5/8 schedule, when a holiday falls on a Saturday, that holiday will be observed on the prior Friday. When a holiday falls on a Sunday, that holiday will be observed on the following Monday. -Should this conflict with a Friday or Monday designated holiday, the Friday or Monday holiday will occur on the preceding Thursday or following Tuesday. -If participating in a 4/10 schedule, when a holiday falls on a Friday or Saturday, that holiday will be observed on Thursday. -When a holiday falls on a Sunday, that holiday will be observed on the following Monday. -Should this conflict with a Friday or Monday designated holiday, the Friday or Monday holiday will occur on the preceding Wednesday or following Tuesday.

Observance by an employee of a designated religious event may be granted, if practical, with at least seven (7) days prior approval required for such leave, under the following methods:

- (A) Time charged to accrued vacation allowance; or
- (B) Time off without pay.

Fixed holidays ~~currently provided for in the Compensation Plan~~ will be based on the employee's regular work shift. -For example, if an employee works a 4/10 schedule, s/he shall receive ten (10) hours of pay for the holiday. -If an employee works a 9/80 schedule, s/he shall receive nine (9) hours of pay for the holiday, or eight (8) hours pay if the holiday falls on their regularly scheduled eight (8) hour workday as part of their 9/80 schedule. -If an employee works a 5/8 schedule (five days/week, eight hours/day), s/he shall receive eight (8) hours of pay for the holiday. -The same shall be true for any employee whose regular work week is fewer than forty (40) hours per

week, except that no such employee shall receive more than eight (8) hours of pay for the holiday.

4. Floating Holiday

Each fiscal year PEGGY FLYNN shall be provided one floating holiday which may be taken by her at a time she selects, subject to operational requirements of the City.

5. Health Benefits

A. PEMHCA Contribution

The City currently provides health benefits through the California Public Employees' Retirement System (CalPERS) Health Benefits Program under the Public Employees' Medical and Hospital Care Act (PEMHCA). -The City's employer contribution for each employee shall be the minimum required by PEMHCA. The City pays this contribution directly to CalPERS.

B. Additional Benefit Amount Paid by the City

The City shall pay the additional contribution amount specified in the schedule below entitled "Total 2022~~1~~ City's Contribution Rate" for PEGGY FLYNN and her covered family members.

Coverage	2022 1 Health Rates (Based on 2022 1 Kaiser Permanente Rates)	City's Benefit Contribution	PEMHCA Contribution (Added to the City's Benefit Contribution)	Total 2022 1 City's Contribution Rate
Employee Only	\$857.06 \$843.64	\$672.66 \$637.14	\$149.00 \$143.00	\$821.66 \$780.11
Employee + 1	\$1,714.12 \$1,627.28	\$1,486.86 \$1,410.07	\$149.00 \$143.00	\$1,635.86 \$1,553.07
Employee + 2 or more	\$2,228.36 \$2,115.46	\$1,975.39 \$1,873.84	\$149.00 \$143.00	\$2,124.39 \$2,016.84

C. Contribution

PEGGY FLYNN shall contribute to her CalPERS Health Premium in the amounts less the City's PEMHCA contribution and less the additional benefit paid by the City.

6. Health Benefits – Retired

A. Retired – CalPERS and PEMHCA

The City currently provides health benefits through the California Public Employees' Retirement System (CalPERS) Health Benefits Program under the Public Employees' Medical and Hospital Care Act (PEMHCA). -In order for a retired employee to be eligible to receive health benefits through CalPERS upon retirement, a retired employee must meet the following definition of "annuitant" under CalPERS law:

- i. Employee must be a member of CalPERS; and
- ii. Employee must retire within one-hundred-twenty (120) days of separation from employment with the City of Petaluma and receive a monthly retirement allowance from CalPERS.

~~B. PEMHCA Minimum “Unequal Contribution” Method for Health Care Premium Payments for Retirees~~

~~C.B.~~

~~The City uses the “unequal contribution” method for health care premium payments for annuitants (retirees) as permitted under Government Code section 22892. Under this method, the City is required annually to increase the total monthly annuitant health care contribution to equal an amount not less than the number of years the City has been in the PEMHCA program multiplied by five percent (5%) of the current monthly employer contribution for active employees until the time the City’s contribution for annuitants equals the City’s PEMHCA contribution paid for active employees.~~

~~Effective calendar year 2014 the “unequal contribution” method for health care premium payments for annuitants (retirees) will be at the twenty-year mark. Thus, the City’s contribution for the PEMHCA program will be at 100% (5% x 20 years). Therefore, the monthly employer contribution for annuitants is the required minimum PEMHCA contribution.~~

The City pays this contribution directly to CalPERS. –The retiree is required to contribute to the cost of the health benefit coverage. –The retiree’s monthly contribution shall be the cost of the monthly health benefit premium less the amount of the City’s contribution.

~~D.C.~~ CalPERS Annuitant – PEMHCA Health Benefits

In accordance with the PEMHCA provisions if an employee is a CalPERS annuitant as defined by CalPERS and receives health benefits under the PEMHCA, the employee is eligible to receive the City’s PEMHCA contribution amount specified below, regardless of the number of years of service with the City of Petaluma.

~~E.D.~~ Less Than 20 Years of Service – Not Receiving PEMHCA Health Benefits

A retired employee with less than twenty (20) years of service with the City of Petaluma who is not enrolled in the CalPERS health benefit program does not receive any retiree benefit from the City.

E. Less Than 20 Years of Service – Receiving PEMHCA Health Benefits

A retired employee with less than twenty (20) years of service with the City of Petaluma who is a CalPERS annuitant as defined by CalPERS and enrolled in the CalPERS health benefit program is eligible to receive the minimum PEMHCA contribution as set by CalPERS.

- F. 20 Years or More of Service – Not Receiving PEMHCA Health Benefits
A retired employee with twenty (20) or more years of service with the City of Petaluma who is not enrolled in the CalPERS health benefits program shall receive direct payments in the amount of one-hundred-forty dollars (\$140.00) each month, effective the first month following the expiration of health benefit coverage.
- G. 20 Years or More of Service – Receiving PEMHCA Health Benefits
A retired employee with twenty (20) years or more of service with the City of Petaluma who is a CalPERS annuitant as defined by CalPERS and enrolled in the CalPERS health benefit program is eligible to receive the minimum PEMHCA contribution as set by CalPERS.

The City's PEMHCA contribution amount is deducted from the retiree's monthly health premium and paid to CalPERS directly by the City.

It is the responsibility of the retiree to notify the City in writing if he or she is no longer participating in the CalPERS health benefit program. Following receipt of the written notice, the City will commence direct payment of the one-hundred-forty dollars (\$140.00) at the beginning of the following month.

7. California Public Employees' Retirement System

Effective January 1, 2013 the City of Petaluma became subject to the Public Employees' Pension Reform Act of 2013 (PEPRA) and benefits offered to newly hired employees will be in accordance with PEPRA.

Prior to January 1, 2013, the City established a different level of benefits (two-tiered retirement) for Miscellaneous employees. The amended contract provides that Miscellaneous employees hired on or after December 28, 2012 shall receive the 2% at 60 formula retirement plan and the three-year final average compensation.

The City's contract with CalPERS includes the following optional benefits:

- Third Level - 1959 Survivor's Benefit as provided in Section 21573 (April 5, 1999).
- Military Service Credit as provided in Section 21024 (January 1, 1992).
- Credit for Unused Sick Leave as provided in Section 20965 (November 1, 1980).
- Cost of Living Allowance two percent (2%) as provided by Section 21329 (April 1, 1971).
- Retired Death Benefit of five-hundred dollars (\$500.00) as provided in Section 21620 (December 1, 1969).
- Death Benefit Continues as provided in Section 21551 (January 1, 2000).
- Prior Service Credit as provided in Section 20055 (January 1, 1950).

Effective February 26, 2018, employees shall pay an additional three percent (3%) towards PERS retirement. For Classic Miscellaneous employees, this three percent (3%) is added to the seven percent (7%) employee contribution, for a total contribution of ten percent (10%). Employees subject to the PEPRA formula shall also pay an additional three percent (3%) on top of their required employee contribution, as established annually by PERS.

The City shall defer that portion of PEGGY FLYNN'S contribution paid to CalPERS through section 414(h)(2) of the Internal Revenue Code pursuant to City of Petaluma Resolution 90-363 N.C.S.

8. Cash In-Lieu of Health and Dental Benefits

If PEGGY FLYNN has health benefit insurance coverage from a source other than the City, or health benefit insurance coverage from a City employee, she may request cash in lieu of health benefits. To be eligible for the cash in-lieu benefit program she must waive her coverage under the City's health benefits, agree to the terms and conditions of the cash in-lieu benefit program and have written verification of health benefits insurance.

For All Employees Hired On or After June 1, 2017:

For all employees hired on or after June 1, 2017, the cash in-lieu amount for health benefits shall be

\$400.00 per month. -Employees shall not be eligible for cash in-lieu for dental benefits.

Upon declining medical insurance, the employee will be required to meet the terms and conditions regarding the City's medical plan. If an employee decides to stop receiving the medical cash back and wishes to re-enroll into the City's medical plan, then s/he must meet the current terms and conditions of the City medical plan. The City cannot guarantee that once the employee leaves a particular medical plan, s/he may be able to re-enroll in his/her prior plan and under the same terms and conditions of his/her prior plan.

9. Section 125 Plan

The City of Petaluma shall make available to PEGGY FLYNN an Internal Revenue Code (IRC) Section 125 plan. -The Section 125 plan is subject to federal law and plan provisions.

The Section 125 Plan offered by the City provides a tax savings through the following programs:

(A) Pre-Tax Health Insurance Premiums:

This program allows employees to pay his or her share of health insurance premiums with pre-tax dollars.

~~(B)~~ Flex Spending Accounts (FSAs):

~~(B)~~

1) ~~i.~~ Medical Reimbursement

This program permits employees to pay for common out-of-pocket medical expenses (not covered by insurance) such as deductibles, co-pays, and vision and dental care with pre-tax dollars.

2) ~~ii.~~ Dependent Care Reimbursement

This program permits employees to pay for most child and or dependent care expenses with pre-tax dollars.

10. Dental Insurance

The City shall provide a dental plan and pay the total premium costs for PEGGY FLYNN and her eligible dependents. The maximum benefit amount is two-thousand dollars (\$2,000.00) per person per calendar year. Orthodontic coverage shall be provided for dependent children under the age of twenty-six (26) years and is 50% of the dentist's allowed fee (subject to a \$2,000.00 lifetime maximum per person).

11. Vision Insurance

The City shall provide a vision plan for PEGGY FLYNN and her eligible dependents. The cost shall be paid for by the City. -Employees are eligible for eye exams once a calendar year with a twenty-five (\$25.00) deductible. Frames are available once a calendar year with a maximum benefit of one-hundred-eighty dollars (\$180.00) and/or contact lenses are available once a calendar year with a maximum benefit of one-hundred-eighty dollars (\$180.00).

12. Employee Assistance Program

The City will provide an Employee Assistance Program to PEGGY FLYNN and her immediate family. -This licensed counseling service will provide assistance and referrals for marriage and family problems, alcohol and drug dependency, emotional, personal, and stress-related concerns and other issues. -All counseling services are confidential.

13. ~~Long Term Disability Insurance~~

The City shall provide PEGGY FLYNN with the same long-term disability benefit plan as provided to City employees ~~as outlined in Attachment 1 Long Term Disability Insurance for Employees of City of Petaluma.~~

14. Deferred Compensation

The City of Petaluma shall make available to PEGGY FLYNN a Deferred Compensation Plan. Effective November 1, 2021, the City shall provide a contribution equal to six percent (6%) of PEGGY FLYNN's base salary to a Deferred Compensation Plan. Any additional City contribution shall be subject to mutual agreement between the City and PEGGY FLYNN and may be considered at the time of any annual performance review or otherwise as part of any compensation or merit increase considered by the City Council.

15. Industrial Injury Leave

Benefits shall be payable in situations where PEGGY FLYNN'S absence is due to industrial injury as provided in California State Workers' Compensation Law. During the first three (3) workdays when her absence has been occasioned by injury suffered during her employment and she receives workers' compensation benefits, she shall receive full pay. Following this period, sick leave may be a supplement to the workers' compensation benefits provided. Compensation is at her regular rate for a period not to exceed six (6) months, or until such sick leave is exhausted, or the disability is abrogated, or that she is certified "permanent and stationary" by a competent medical authority. The City shall pay her the regular salary, based on the combination of the workers' compensation benefits plus sick leave.

Sick leave for industrial injury shall not be allowed for a disability resulting from sickness, self-inflicted injury, or willful misconduct.

The City may retire PEGGY FLYNN prior to the exhaustion of accumulated sick leave, at which time all accrued but unused sick leave shall be abrogated, subject only to the limitations provided under her Agreement.

16. Bereavement Leave

PEGGY FLYNN shall be granted up to thirty-two (32) hours of bereavement leave in the event of death in her immediate family. For the purpose of bereavement leave, immediate family shall mean spouse, qualified domestic partner, father, father-in-law, mother, mother-in-law, brother, brother-in-law, sister, sister-in-law, child (including stepchildren), step-parents, grandparents and grandchildren or person with whom the employee has a relationship in loco parentis. Up to an additional eight (8) hours of accrued sick leave may be granted to supplement bereavement leave.

In the event PEGGY FLYNN must travel more than three-hundred (300) miles to attend a funeral or memorial service, an additional eight (8) hours of bereavement leave shall be granted instead of the use of eight (8) hours of sick leave.

17. Victims of Domestic Violence and Sexual Assault Leave

The City of Petaluma provides appropriate leave, in accordance with California Labor Code Section 230.

18. Military Leave

The City of Petaluma shall grant military leave benefits to eligible employees in accordance with California's Military Leave Laws found in Military & Veteran's Code 389 *et seq.*, the Federal Uniformed Services Employment and Re-employment Rights Act (USERRA), found at 389 U.S.C. 4301 *et seq.*, and the City of Petaluma Resolution No. 2004-200 N.C.S. Employees in the Ready Reserves of the Armed Forces who are ordered to active military duty or training under Executive Order 13223, shall have continued benefits in effect throughout his/her

active duty training for a period of three-hundred sixty-five (365) calendar days or until the date of discharge from military service, whichever occurs first, unless this policy is changed by action of the City Council.

19. Election Officer and Voting Leave

If PEGGY FLYNN'S actual work schedule otherwise would prevent her from voting in any State, County, or General election, she may be granted up to two (2) hours of paid time to vote, in accordance with Election Code 14000. She must provide the City with at least two (2) working days' notice that she will be taking time off to vote.

20. School Visitation Leave

The City of Petaluma provides up to forty (40) hours of unpaid leave in a year to participate in the child's school activities, in accordance with Labor Code section 230.8.

21. Leave of Absence without Pay

The City Council may grant PEGGY FLYNN with a leave of absence without pay pursuant to State and Federal Law. Good cause being shown by a written request, the City Council may extend such leave of absence without pay or benefits for an additional period not to exceed six (6) months. No such leave shall be granted except upon written request of PEGGY FLYNN setting forth the reason for the request, and the approval will be in writing.

22. Jury Duty Leave

Should PEGGY FLYNN be summoned for jury duty she shall be entitled to a leave of absence with full pay for such period of time as may be required to attend the court in response to such summons. -She may retain payment for travel but shall make payable to the City any and all fees which she may receive in payment for service as a juror. For Grand Juries this compensation shall not extend beyond twenty (20) working days.

23. Family Care and Medical Leave (FMLA & CFRA)

FMLA and/or CFRA Leave

The City shall provide family and medical care leave for PEGGY FLYNN as required by City policy, state and federal law and as specifically provided in the Federal Family and Medical Leave Act of 1993 (FMLA) and the California Family Rights Act of 1993 (CFRA). If possible, employees must provide thirty (30) days advance notice of leave.

FMLA and/or CFRA – Second Opinion

PEGGY FLYNN shall provide the City with a health care provider certification. -The City, at City expense, may require a second opinion on the validity of the certification. Should a conflict arise between health providers, a third and binding opinion, at City expense shall be sought.

24. Paid Parental Leave

On October 18, 2021, the City Council approved a Paid Parental Leave (PPL) Policy for City of Petaluma employees. The PPL Policy provides eligible City of Petaluma employees up to 320 hours of PPL. As a City of Petaluma employee, PEGGY FLYNN is an eligible employee for PPL subject to the terms of the PPL Policy. The PPL Policy may be subject to change in the future.