

EXHIBIT A

**CITY MANAGER EMPLOYMENT AGREEMENT
SCHEDULE OF BENEFITS
As Amended November 17, 2014
Resolution 2014-181**

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SECTION I. HEALTH BENEFITS

Employee shall receive medical and dental benefits for himself and dependent family members, as follows:

(A) Medical Insurance

The City is a participating employer in the Public Employees' Medical and Hospital Care Act (PEMHCA), the medical insurance program sponsored by CalPERS. Upon the City's adoption of the amendment to the City's contract with CalPERS for PEMHCA participation, the maximum City contribution per month for medical insurance for active employees and qualifying annuitants shall be the minimum employer contribution as determined by CalPERS. For 2014, the minimum, monthly employer contribution is \$119.

(B) Flexible Benefit Plan

The City maintains a Flexible Benefit Plan that constitutes a cafeteria plan within the meaning of Section 125 of the Internal Revenue Code. The Flexible Benefit Plan allows active employees to pay for actual medical plan premiums, actual dental plan premiums, vision care contributions on a pre-tax basis.

The City will contribute, on behalf of employee enrolled in City-provided health insurance, up to:

- the premium for employee's selected, City-provided group health insurance plan at the selected level of coverage;
- minus the City's minimum, monthly employer contribution required for participation in PEMCHA paid separately by the City to CalPERS;
- minus one hundred and fifty dollar (\$150) to be paid by the employee if enrolled in a Kaiser plan, or minus twenty percent (20%) of the group health insurance premium to be paid by the employee if enrolled in a non-Kaiser plan.

(C) In Lieu or Dual Medical Coverage

In the event employee elects to waive participation in City-provided health insurance due to coverage in a group health plan from another source (e.g. spouse, parent, etc.), employee shall receive the appropriate in-lieu amount, which shall be prorated for employees scheduled to work 80% FTE:

\$500.00 – Family coverage or two-party coverage

\$350.00 – Single party coverage

The employee may receive the in-lieu amount in cash (taxable) or they may elect to contribute the in-lieu amount (not taxable) towards the 457 ICMA Deferred Compensation Plan as a supplemental retirement benefit.

To elect this option, employee shall demonstrate that he or she is adequately covered at the applicable level of coverage by another source of group health insurance. If an employee loses secondary coverage, he or she shall be covered by the City health plan as soon as possible, in accordance with CalPERS regulations and this MOU.

(D) Dental Plan

City will contribute through the Flexible Benefit Plan the full premium for dental insurance coverage (which includes a 50/50 orthodontia plan for children only with \$3,000 maximum) for employee and eligible dependent family members. The City's contribution shall be prorated for employees scheduled to work 80% FTE.

E) Reimbursable Expenses and Flexible Spending Account

The City provides a Flexible Spending Account (FSA), which allows employee to contribute a portion of regular earnings to pay for qualified dependent care and medical expenses before earnings are subject to payroll taxes, in accordance with IRS regulations.

The City will contribute to the Flexible Spending Account the amounts listed below based on the assumption that the following arrangement falls within the IRS guidelines:

\$225.00 for 7/1/14 through 12/31/14 (\$180.00 for .80 FTE)

\$450.00 for 1/1/15 through 12/31/15 (\$360.00 for .80 FTE)

\$450.00 for 1/1/16 through 12/31/16 (\$360.00 for .80 FTE)

\$225.00 for 1/1/17 through 06/30/17 (\$180.00 for .80 FTE)

Should employee work on a reduced work schedule in the future, he shall be required to pay the prorated portion of the medical premium. In-lieu medical and vision care and other reimbursable expense amount, including this Flexible Spending Account contribution, will also be prorated.

In accordance with IRS regulations, any unused amounts contributed to the FSA shall not be reimbursed to employee should employee fail to submit proof of eligible reimbursable expenses during a calendar year. However, up to five hundred dollars (\$500) of unused amounts remaining at the end of a plan year in a health FSA may be paid or reimbursed to plan participants for qualified medical expenses incurred during the following plan year. All other unused amounts in an employee's FSA cannot be rolled over to the next calendar year.

(F) Health Club. City shall pay 50% of the cost of employee's individual membership in the local YMCA or similar health club, with such payments ceasing on the last day of employment.

SECTION II. EMPLOYEE ASSISTANCE PROGRAM

The City agrees to provide an Employee Assistance Counseling Program.

SECTION III. DISABILITY AND LIFE INSURANCE

The City shall continue to provide a long term disability benefit for employee. The City shall pay premiums on a two hundred thousand dollars (\$200,000) life insurance policy for employee. An additional Life Insurance policy shall be made available to dependents of the employee, as mandated by the existing Life Insurance Program, at the total expense of the employee.

SECTION IV. VACATION

- A. Employee shall accrue vacation at the rate of 150 hours per year.
- B. Use of Vacation

The City Manager, due to the needs of the service, may be unable to utilize said accrued vacation. Therefore, the City Manager shall be permitted to carry over any unused vacation.

In the event one or more municipal holidays fall within an annual vacation leave, such holidays shall not be charged as vacation leave, and the vacation shall be extended accordingly.

Should employee terminate employment, Employee shall be paid in a lump sum for all accrued vacation leave earned prior to the effective date of termination.

Should employee become ill or injured during his vacation, he may request that the time be deducted from his earned sick leave and the vacation period be re-scheduled at a later date, or be extended.

SECTION V. SICK LEAVE

A. Accrual

Sick Leave with pay shall be accrued at the rate of 7.5 hours per each calendar month of service. Sick Leave shall not be considered as a privilege which employee may use at his/her discretion, but shall be allowed only in case of necessity and actual sickness or disability. Unused sick leave shall be accumulated at the rate of 96 hours per year, without limit. Employee shall be granted six days (45 hours) of sick leave upon commencement of service.

B. Usage

Employee shall be allowed sick leave pay on the following basis:

(1) Absence from duty due to exposure to a contagious disease where a doctor requires quarantine;

(2) Absence due to pregnancy disability, childbirth, or a medical condition related to pregnancy; or

(3) Absence from duty due to employee illness or other physical disability;

(4) Absence to care for a parent, spouse, child, or registered domestic partner with a serious health condition and would be permitted as sick leave under the City's sick leave policy;

(5) Up to six (6) days of accrued Sick Leave in a calendar year may be used to attend to the illness of the employee's immediate family, when the employee will personally assist and be a comfort to said family member. Immediate family shall be limited to the employee's spouse, registered domestic partner, child, stepchild, father, mother, sister, brother, father-in-law, mother-in-law, grandparent, and grandchild, except as provided by the Family Care Leave/Pregnancy Leave.

The right to benefits under the Sick Leave plan shall continue only during the period that the City employs the employee. This plan will not give any employee the right to be retained in the service of the City or any right of claim to sickness disability benefits after separation from the services of the City.

If employee is absent or expecting to be absent because of sickness or other physical disability, personal or family, the Employee shall notify the Assistant City Manager prior to the beginning of the workday or as soon thereafter as possible, but in any event during the first day of such absence.

The City may require a written physician's statement confirming that the employee's illness or disability prevents him or her from attending work, and the anticipated duration of absence. In cases of absence due to contagious disease, the employee will be required to submit a written medical release before he/she may return to work. In cases of other absences, the employee may be required to provide City with a Fitness for Duty statement from his/her attending physician, or a physician appointed by the City, prior to returning to work.

Upon depletion of accumulated sick leave, employee may request leave of absence without any pay for a period not to exceed sixty (60) calendar days, subject to the approval of the City Council. If employee is unable to return to work at the end of this period, he must request further unpaid leave, which will be subject to the approval of the City Council. If further leave is granted, employee must notify the City of his intent to return to work every thirty (30) days. If further leave is not requested, employee may be subject to dismissal.

Time off for illness shall be charged to sick leave and not to vacation or administrative leave, unless, and until all available sick leave has been exhausted.

SECTION VI. BEREAVEMENT LEAVE

Upon death of an immediate family member (spouse or registered domestic partner and children/stepchildren including parents, brothers, sisters, grandparents, mother/father in-law, brother/sister in-law, and grandchildren); bereavement leave with pay for a period not to exceed one (1) full workweek, shall be granted. Employee shall inform the City of the name and relationship of the person who died.

SECTION VII. FAMILY CARE LEAVE

City shall provide Family Care Leave and Pregnancy Leave in compliance with and in accordance with the Federal Family and Medical Leave Act of 1993 (FMLA) and the California Family Rights Act of 1993 (CFRA).

SECTION VIII. ADMINISTRATIVE LEAVE

In recognition of the requirement that employee works in excess of a normal work week, including night meetings of the City Council, various Boards and Commissions and ad hoc committees, 112.50 hours of administrative leave shall be granted at the beginning of the next fiscal year, and each fiscal year thereafter.

Any unused balance of Administrative Leave available as of 12:00 midnight, June 30, shall be forfeited.

SECTION IX. HOLIDAYS

The following guaranteed Holidays shall be observed by the City:

- December 31 - New Year's Eve
- January 1 - New Year's Day
- 3rd Monday in January - Martin Luther King's Birthday
- 3rd Monday in February - Washington's Birthday
- Last Monday in May - known as Memorial Day
- July 4 - Independence Day
- 1st Monday in September - known as Labor Day
- Second Monday in October - Known as Columbus Day
- November 11 - Veterans' Day
- 4th Thursday in November - Known as Thanksgiving Day
- Day After Thanksgiving Day
- December 24 - Day before Christmas Day (Christmas Eve Day)
- December 25 - Christmas Day

One floating holiday of 9.375 hours shall be credited to accumulated vacation time on each July 1st.

SECTION X. RETIREMENT AND SURVIVOR BENEFITS

A. PERS Contributions:

Non-Safety Tier One Pension:

1. Formula: The City shall provide the full formula of two and one half percent (2.5%) at age 55 calculated on the single highest year for local miscellaneous members considered "classic" members of CalPERS.
2. Member Contribution: Employee, in Non-Safety Tier One Pension, shall pay the statutory member contribution required by CalPERS, in addition to the cost share requirement described below.
3. Employee Cost Sharing: Employee, in Non-Safety Tier One pension, is required to pay two and three-tenths percent (2.3%) of reportable compensation toward the employer contribution for pension in accordance with Government Code Section 20516(a)-Employees Sharing Cost of Additional Benefits) for the pension formula enhancement to 2.5% at 55.
4. Survivor Benefits. The City shall provide the Third Level of 1959 Survivor's Benefit for Non-Safety Tier One and Tier Two employees, a benefit for survivors of the employee who is actively employed at the time of death.

B. Retiree Health Reimbursement Account.

In addition to paying on behalf of employee the minimum monthly employer PEMHCA contribution as determined by CalPERS, established at \$119 per month as of 2014, the City shall provide a monthly supplemental allowance to a Health Reimbursement Account (HRA) to employee if he retires under service retirement as regulated by the Public Employees Retirement System, in the following amount:

i. The monthly supplemental allowance is limited to the cost of medical and dental plans for the level of coverage selected by the annuitant (1-party, 2-party, or family) which the employee is enrolled in at the time of retirement, less the City required minimum employer contribution paid directly to CalPERS on behalf of the qualifying annuitant.

ii. The allowance shall be increased if the cost of such plans increase. The annuitant shall receive only the amount for the plan and level of coverage selected at the time of retirement. Although nothing in this section shall prevent retiree from changing health plans, any such change in health plans shall not result in a higher monthly supplemental allowance.

To be eligible for the monthly supplemental allowance, retiree must meet the following conditions:

i. Employee shall have served with the City for at least five (5) consecutive years immediately prior to retirement, and must retire directly (within one hundred twenty (120) days) following separation from City.

ii. The employee shall have been enrolled in the City's medical and dental plans, for one (1) full year prior to retirement.

The City shall pay the monthly supplemental allowance for life of retiree, or if retiree has died, to the retiree's spouse or registered domestic partner. For these purposes, the retiree's spouse/registered domestic partner is defined as the individual that the retiree is married to or in a registered domestic partnership with at the time of application for retirement, unless subsequently divorced or partnership dissolved. It shall be the responsibility of the retiree to notify the City for any marital status change (e.g. death of a spouse, divorce, legal separation, etc.) at which point coverage for the spouse or registered domestic partner shall cease. The City reserves the right to collect the amount over and above the monthly supplemental allowance issued to the retiree, due to failure on the part of the retiree to notify the City regarding the change in marital status. The City shall collect said amounts under the normal collection process which may include utilization of a collection agency and/or Small Claims Court, or any legal administrative remedy. If the retiree remarries, the monthly supplemental allowance will not increase to include the cost of the new spouse, registered domestic partner, or family.

The City shall pay the Monthly Supplemental Allowance to the HRA for the annuitant until any of the following conditions occur:

- i. retiree receives medical coverage from another source (e.g. other employment, spouse), or
- ii. retiree dies.

The City's obligation to pay the monthly supplemental allowance is conditioned upon a signed declaration under penalty of perjury, by the retiree and/or spouse or registered domestic partner on a form provided by CalPERS once each year, that confirms the retiree's and/or spouse or registered domestic partner is not enrolled in medical or health insurance coverage or in-lieu payments from another source during that same time period.

Should retiree lose coverage from the other source (employment, spouse), the monthly supplemental allowance will resume upon receipt of the required declaration, and will continue only until any of the above listed events (a-b) occur.

The Monthly Supplemental Allowance is subject to applicable Federal and State Income Tax regulations.

SECTION XI. COST OF LIVING INCREASES AND LONGEVITY

- 1) Effective July 1, 2015, there will be a two percent (2%) cost of living increase.
Effective July 1, 2016, there will be a two percent (2%) cost of living increase.

- 2) The employee shall receive longevity pay based on years of service with the City:
 - 3% - 15 years of service
 - 2% - 20 years of service
 - 2% - 25 years of service

SECTION XII. CELL PHONE STIPEND

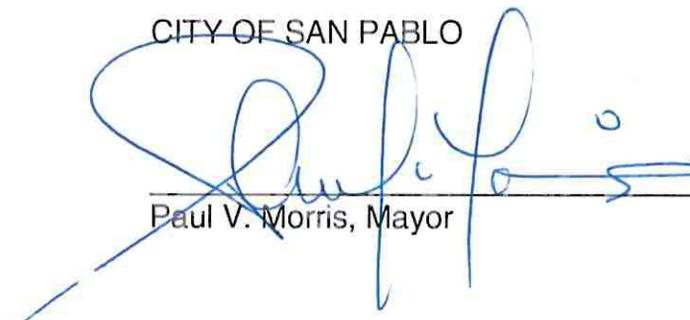
Employee shall receive a monthly cell phone stipend in the amounts set forth in the City's cell phone stipend policy.

SECTION XIII. SIGNATURES

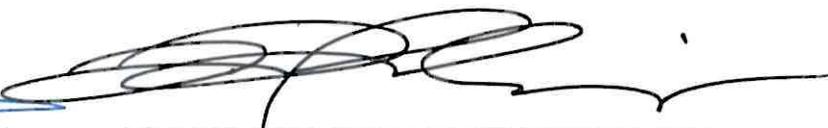
This schedule of benefits is effective July 1, 2014 and executed on November 18, 2014.

CITY OF SAN PABLO

CITY MANAGER



Paul V. Morris, Mayor



Raymond M. Rodriguez