

CITY OF PENDLETON

MANAGEMENT BENEFIT PLAN

Administrative Rule No. 2

Management staff shall receive the following benefit package as part of their employment with the City of Pendleton. This package should be reviewed annually by the City Manager.

1. Recognition

Management employees are defined as career service employees who are not represented by a collective bargaining unit because of their supervisory or confidential responsibilities including the following positions: (Amended September, 2011)

<u>Department Heads</u>	
Airport/Economic Development Manager	Finance Director
City Attorney	Fire Chief
City Recorder/Human Resource Manager	Library Director
Community Development Director	Parks & Recreation Director
Convention Center Manager	Police Chief
Facilities Manager	Public Works Director

<u>Supervisors</u>	
Accounting Supervisor	Police Lieutenant
Airport UAS Range Manager	Police Sergeant
Associate Engineer	Public Works Superintendent
Assistant Library Director	Prosecuting Attorney
Assistant Chief/Fire Marshal	Recreation Supervisor
Building Official	Regulatory Specialist
Control Systems Manager	Resource Recovery Facility Superintendent
Parks Supervisor	Water Superintendent
Planner	

<u>Confidential</u>	
Administrative Recorder	Assistant/Deputy City Legal Assistant

2. Salary

The salary plan for management staff positions may be revised annually.

Overtime

Most management employees are exempt from overtime. The determination is made through application of the Fair Labor Standards Act (FLSA) exemption test by Human Resources and/or City Attorney.

Non-exempt managers shall earn overtime or compensatory time off at the rate of 1½ times their regular rate of pay for any hours over 40 in a work week pursuant to Oregon Wage and Hour Law. Sick leave and vacation time do not count as hours worked for this calculation. See the Employee Handbook for details on accrual and use of compensatory time.

While working excess hours over 40 in a work week is common for exempt managers, they will not earn overtime or any additional compensation for those hours. However, there may be rare circumstances (see examples below) in which exempt managers can receive overtime compensation with the approval of their Department Head, or the City Manager, as budget permits.

Such overtime must comply with the FLSA requirements in order to be eligible (see 29 CFR § 541.604).

Examples:

- Emergency personnel responding to ambulance or Wildland fire calls for which the City is compensated. Note: Procedures for offer of the overtime work must be followed and efforts to recall union members exhausted before exempt personnel may perform any compensable overtime work;
- Emergency personnel who work events that require extraordinary extensions to their shift to complete the work such as major crime scenes requiring continual work of 24 hours or more.

3. Vacation Leave

Management employees are eligible to accumulate vacation leave credits from the first day of employment and use them with pay after six calendar months of continuous employment.

- A. Vacation leave credits shall be earned at a yearly rate calculated in accordance with the following schedule where 1 year equals 2,080 hours of work.

$$\underline{40 \text{ hours} \times 52 \text{ weeks} = 2,080 \text{ hours} = 1 \text{ year}}$$

<u>Years Employed</u>	<u>Hours Credited Per Month</u>	<u>Days Credited Per Year</u>
0-5	6.67	10
5-10	10.00	15
10 or more	13.34	20

- B. The following rules shall apply to vacation leave.
1. Vacation leave for exempt employees shall be recorded in full-day increments (8 hr minimum or the pro-rated equivalent for part-time employees).
 2. Vacation leave for non-exempt employees shall be recorded and charged as used.
 3. No vacation leave with pay will be granted in advance of credits earned.
 4. Vacation accrual shall continue during paid vacation time, recognized holidays, and paid sick leave, but shall not accrue when in leave without pay status.
 5. Overtime is not counted in computing vacation leave credits.
 6. If a holiday occurs during a vacation period, one day of the paid leave will be charged to the holiday. Part-time employees' time will be charged on a pro rata basis.
 7. At least one half of the annually accrued vacation must be taken. If an employee fails to use at least one half of the annual accrual the shortage will be deducted from the accrual total at the end of the calendar year. (Amended January 2004)
 8. Vacation leave credits may be accumulated without limit. (Amended February, 1999)
 9. Extended vacations (a vacation of more than two weeks duration) may be arranged by mutual agreement between the employee and the Department Head, with approval of the City Manager. (Amended February, 1999)
 10. Management staff that terminates employment is entitled to a lump sum payment at the current salary rate at the time of termination for unused vacation leave, up to 200 hours maximum, except at retirement when the employee may receive payment for up to 320 hours accrued vacation. (Amended September, 2011)
 11. Vacation leave time may be substituted for sick leave time with the consent of the employee, once sick leave is exhausted (see IV.F).
 12. If an employee is transferred between departments or divisions, the employee will not be entitled to a lump sum payment for accrued vacation leave credits. The department or division receiving the transferred employee shall assume the liability for the accrued vacation credits earned and transferred with the employee.
 13. Those employees who have an accrual total greater than 320 hours on January 1 of any year, shall be allowed to convert up to 80 hours to cash and for deposit in the

VEBA account in the individual's name to be used in accordance with the VEBA trust rules for current or future medical expenses and insurance premiums. Employees with a Health Savings Account (HSA) may elect to have their hours deposited into their HSA account in lieu of a VEBA account if they notify the payroll department of that election by January 31st. Employees choosing this election are responsible for assuring that they do not exceed the annual contribution limits allowed by IRS rules. Any tax consequences on contributions exceeding those limits will be the sole responsibility of the employee.

4. Sick Leave

Management employees are eligible to accumulate sick leave credits from the first day of employment.

- A. Sick leave credits shall be earned at a yearly rate and calculated in accordance with the following schedule where 1 year equals 2,080 hours of work. There is no limit on accrual except as it applies toward reporting to PERS at termination or retirement which is limited to 1500 hours. (Amended July, 1994)

$$\underline{40 \text{ hours} \times 52 \text{ weeks} = 2,080 \text{ hours} - 1 \text{ year}}$$

<u>Period of Employment</u>	<u>Working Hours/Days Credit</u>
Each 1 year of employment	96 (12 days)
Each 1 month of employment	8 (1 day)

- B. The following rules shall apply to sick leave:
1. Sick leave for exempt employees shall be recorded in days (8 hour minimums or the pro-rated equivalent for part-time employees).
 2. Sick leave for non-exempt employees shall be recorded and charged as used.
 3. Overtime hours are not counted in computing sick leave credits.
 4. Part-time hours are rounded off to the nearest two digits to the right of the decimal.
 5. No sick leave with pay will be granted in advance of credits earned.
 6. Sick leave credits will not accrue while in leave without pay status.
 7. A written physician's statement may be required for sick leave taken.

- C. Sick leave may be granted for:
1. Employee illness or injury.
 2. Illness or injury in the immediate family (residing under the same roof) requiring the employee's personal attention.
 3. Quarantine for contagious disease control provided certification is obtained from the attending physician.
 4. Medical, dental, or eye appointments for the treatment of the employee's illness, injury, or for preventive care.
 5. The death of a member of the immediate family, as defined in the City personnel policy manual, provided the leave for this purpose does not exceed five (5) working days.
 6. Qualifying Family Medical Leave (FMLA or OFLA) as provided by federal and state law.

D. Sick Leave Bonus

Management staff will be granted sick leave bonus according to the following schedule: one day off for three days sick leave used, two days off for two days sick leave used, three days off for one or no days sick leave used. Bonus leave will be granted in the fiscal year subsequent to the year it is earned, is non-accumulative and non-compensable. To be eligible, employees must have been in City service for a full fiscal year. Employees promoted to a management position are eligible July 1 if continuously employed full-time by the City for the preceding fiscal year. (Amended July, 1988)

- E. Holiday/Sick Leave
Sick leave taken over a legal holiday will be counted as a holiday and not be charged against the sick leave. Such sick leave may be substantiated by proper medical certification.
- F. Sick Leave/Vacation Leave
If all sick leave credits have been used, a management employee that is eligible to use vacation leave credits will have the option of using accrued vacation leave credits.
- G. Termination of Employment
At the time of termination of employment, the City will send a statement to PERS showing the balance of unused sick leave credits up to a maximum of 1500 hours. If allowed by state law or PERS rules for management staff who retire as a member of PERS, the unused sick leave will be used to calculate retirement benefits by assigning a monetary value to one-half of the reported unused sick leave accumulation ($\frac{1}{2}$ of up to 1500 hours unused sick leave).
- H. Transferred Employees
If an employee is transferred between departments or divisions, the employee will not be entitled to a lump sum payment for accrued sick leave credits and the department receiving the transferred employee shall assume the liability for the accrued sick leave credits transferred with the employee.

5. Holiday Leave

The following are Holidays:

1. New Year's Day
 2. Presidents' Day, (3rd Monday in February)
 3. Memorial Day, (last Monday in May)
 4. Fourth of July
 5. Labor Day
 6. Round-Up Wednesday, (3 working hours - Department closes at 1:00 pm)
 7. Round-Up Thursday, (3 working hours - Department closes at 1:00 pm)
 8. Round-Up Friday, (All day)
 9. Veterans Day
 10. Thanksgiving Day
 11. The Friday after Thanksgiving
 12. Christmas Eve
 13. Christmas Day
 14. News Year's Eve
 15. Floating Holiday, (1 per fiscal year chosen by the employee with the approval of their supervisor)
- A. Management employees in departments that are required to remain operational during holidays or proclaimed days off, or who have a scheduled work week which includes working on holidays or proclaimed days off, shall be given the following scheduled working day off with pay. When an employee works on a holiday or proclaimed day off, the time worked will be recorded as regular time and the day off as holiday time.
 - B. When a holiday falls on a Sunday, it will be observed on the following Monday. When a holiday falls on a Saturday, it will be observed on the previous Friday.
 - C. All career service full-time employees shall receive eight (8) hours off with pay for days observed as legal holidays if in an employed status with pay the working day before and the working day following the day off.
 - D. Any career service full-time employee who is scheduled for a day off which is observed as

a legal holiday or authorized proclaimed work day off, shall be entitled to receive eight (8) hours off with pay either on the day preceding or the day following; whichever allows a day off in addition to the employee's regularly scheduled days off. Employees under scheduling restrictions shall be allowed to use the holiday hours when scheduling allows.

- E. Management employees in the emergency services who cannot use their holiday because of the nature of the job/schedule constraints, may convert any unused holidays to vacation leave. These hours will not be included in the requirement to use half of all accrued vacation each year. At the end of the year, when vacation over the cap is converted to VEBA, these employees may convert up to an additional 56 hours may be added to the 80 hours of vacation that is allowed to be transferred to a VEBA account.

6. Personal Leave

Management employees are eligible for two (2) days personal leave per fiscal year. Any days not taken prior to July 1 of each year shall be forfeited. There shall be no cash payment for unused personal leave days.

7. Health Insurance Package

Group medical plans for health and dental insurance are available for full-time and part-time (working at least 20 hours per week) management staff and their eligible dependents. Part-time employees are eligible to receive a pro rata benefit.

- A. The City will provide medical, dental, and life insurance for the employee through the City County Insurance Services/Blue Cross HSA Plan 1 \$1,500 deductible health insurance, or coverage that is substantially equivalent on the whole, with Vision, and Blue Cross Plan II dental insurance or coverage that is substantially equivalent on the whole, and \$10,000 Standard life insurance. (Amended September, 2011)

For each employee covered by medical insurance, the City will pay into a Health Savings Account (HSA), or a VEBA account if the employee is not eligible for an HSA under IRS rules, the annual equivalent of:

\$1,200 – Individual Plan
\$2,500 – Two-Party Plan
\$2,300 – Family Plan

Such amounts will be pro-rated for employee's hired during the year.

The City will pay 100% of the premium for covering the employee, and 80% for the cost of dependent coverage. (Amended February, 1999)

For those employed **prior to July 1, 1997**, who maintain continuous employment, the City will provide each employee with a monthly benefit of \$250 toward the cost of dependent coverage. For dependent coverage, the employee will pay the **lesser** of 20% of the cost of dependent coverage or the amount of premium in excess of the cost of the *employee only* premium plus \$250 monthly. If the employee does not utilize the full amount of the \$250 allowance for dependent coverage, the unused portion shall be added to the employee's monthly gross salary at the request of the employee.

Employees may select annually, during the open enrollment, their utilization choice of the benefit for which qualified. Life changing events may create individual open enrollment selection periods.

- B. Continuation of benefits as provided by State and Federal law, will be allowed for retirees and qualifying terminated management staff and/or their dependents. Continuation of benefits will be at the management staff's cost and eligible persons must continue all coverage that was available to them prior to qualifying for the extension. Contact Payroll for details.

8. Other Leaves
Refer to the appropriate sections of the City Personnel policy manual.
9. Deferred Compensation
The City will contribute a 50% match toward any contributions made to a 457 deferred compensation account, up to a maximum of 1% of the employee's salary.
10. Policies and Procedures
Personnel policies and procedures in addition to this benefit plan are outlined in the City Personnel Policy Manual.
11. Budget
Management employees recognize that the benefits outlined in this plan are dependent upon the budget. This plan does not guarantee employment or a level of salaries or benefits to management staff.
12. Management Responsibility
Management staff recognize their leadership role to the organization and community in providing the most cost effective and efficient services for the citizens of Pendleton.

Adopted as Administrative Rule No. 2 pursuant to Ordinance No. 3364.

Robb Corbett

City Manager

Date 3/20/19