

**RESOLUTION NO. 29-2018**

**A RESOLUTION OF THE TOWN COUNCIL  
OF THE TOWN OF TIBURON RESCIND RESOLUTION NO. 19-2017  
AND ADOPTING AN AMENDED MANAGEMENT RECOGNITION  
AND INCENTIVE COMPENSATION PROGRAM FOR FY 2018-19**

WHEREAS, in January 1979, the Town Council established and adopted a Management Recognition and Incentive Compensation Program, in order to promote the development of a strong, more effective management team and a means of recognizing outstanding management performance in all public service areas; and

WHEREAS, the Management Recognition and Incentive Compensation program enhances the professional growth, motivation, and loyalty of management employees and promotes a consistently higher level of service to the public; and

WHEREAS, the Town Council has updated and amended the Management Recognition and Incentive Compensation Program on several occasions, most recently in July 2017 by the adoption of Resolution No. 19-2017; and

WHEREAS, the Town of Tiburon management employees are defined to mean the following positions:

Town Manager  
Town Attorney  
Chief of Police  
Director of Administrative Services  
Director of Community Development  
Director of Public Works/Town Engineer

NOW, THEREFORE, BE IT RESOLVED that the Town Council of the Town of Tiburon does hereby repeal Resolution No. 19-2017 and all predecessor versions of the Management Recognition and Incentive Compensation Program and adopts the following amended Management Recognition and Incentive Compensation Program:

**SECTION 1. SALARIES**

Effective July 1, 2018 salary ranges for management positions shall be:

Chief of Police	\$12,658 - \$15,823
Director of Administrative Services	\$ 9,833 - \$12,291
Director of Community Development	\$ 9,961 - \$12,451
Director of Public Works/Town Engineer	\$12,274 - \$15,343
Town Manager	Based on Contract

## SECTION 2. SALARY ADJUSTMENTS

Movement through the salary ranges will be based upon merit following a comprehensive written performance evaluation by the Town Manager.

## SECTION 3. BENEFITS AND INSURANCE

The Town shall contribute a dollar amount equal to the combined total of the CalPERS Kaiser two-party premium and Delta Dental family premium towards a Management employee's cafeteria plan to purchase medical, dental, life and disability insurance. This dollar amount will float with the increase or decrease in the cost of the CalPERS Kaiser two-party and Delta Dental family rate. If the full sum specified is exceeded for group insurances of a given employee, then that employee shall pay the balance of the monthly cost via a payroll deduction from the first two payrolls of the month. If the full sum specified is not used for the group insurances cost of a given employee, then that amount, not to exceed \$400 per month, shall be deposited into one of the Town's Deferred Compensation Plans in the employee's name. Any employee who on December 31, 2008 receives more than \$400 per month accruing fringe shall be capped at the higher amount. Should, at any time, such employee's accruing fringe fall below the grandfathered cap, but more than \$400 per month, the lower amount becomes that employee's new cap.

Retirement – The Town contracts with CalPERS for the provision of a retirement program for its miscellaneous and public safety employees. The Town does not administer the retirement program and makes no representation of the specific parameters of the program beyond what is provided in the Town's contract with CalPERS. Employees may obtain a copy of the CalPERS contract to review all elements of the current program.

Effective July 1, 2015, all employees considered "classic" under CalPERS shall "pick up" 1% of the CalPERS Employers rate. This additional 1% is above the Employee's normal rate of 7% for Miscellaneous and 9% for Safety. Employees considered "new" under PEPRA shall continue to pay 50% of the normal cost. The employee retirement contribution shall be made on a pre-tax basis as allowed under Internal Revenue Code 414(h)(2).

For Miscellaneous Members of the Public Employee's Retirement System hired prior to January 1, 2013, the Town of Tiburon shall provide the CalPERS 2% @ 55 retirement formula, with the highest single year calculation. Public Safety members hired prior to January 1, 2013 shall receive the 3% @ 55 retirement formula with the highest 36 months calculation.

Miscellaneous members hired after July 1 2013. who are "new members" of the retirement system as defined by CA Government Code Section 7522.04(f) shall be provided the 2% at 62 benefit formula with the highest 36 months calculation. Public Safety employees hired on or after January 1, 2013, who are "new members" of the retirement system as defined by CA Government Code Section 7522.04(f), shall receive the 2.7% @ 57 retirement formula with the highest 36 months calculation

Medical Insurance - The Town of Tiburon offers management employees and their dependents medical/hospital insurance coverage. A qualified employee may choose from the plans offered through the Public Employees Retirement System Health Benefits Division for medical/hospital insurance coverage. Such insurance is mandatory for covered employees unless they can demonstrate compliance with other coverage.

Dental Insurance - The Town of Tiburon offers management employees and their dependents a dental plan. Such insurance is mandatory for all qualified employees unless they can demonstrate compliance with other coverage.

Life Insurance - The Town of Tiburon offers management employees a life insurance policy equal to one year's salary, not to exceed \$95,000. Such insurance is mandatory for all full-time employees. If the mandatory amount is not exceeded, the Town of Tiburon offers management employees additional life insurance up to a combined total of no more than \$95,000. Participation is optional.

Disability Insurance - The Town of Tiburon offers management employees long term disability insurance. Such insurance is mandatory.

Long Term Care - The Town of Tiburon offers management employees a long-term care policy. Participation is optional.

Deferred Compensation Plan - The Town of Tiburon offers a deferred compensation plan to management employees. Such monies deposited would become tax-deferred and would be subject to income taxation in the year they are withdrawn from the deferred compensation plan. Participation is optional.

IRS Section 125 Plan - The Town of Tiburon offers management employees the ability to participate in its IRS Section 125 Plan. Participation is optional.

#### SECTION 4. VACATION LEAVE

In recognition of the fact that many top management personnel are recruited from outside the Town, that the average tenure for those management personnel is substantially more than that of non-management personnel, and that at least three years prior experience is required, the following vacation leave policy for management personnel shall be implemented:

Management employees shall accumulate vacation leave in accordance with the following vacation time entitlement:

<u>Service</u>	<u>Work Days</u>
0-5 Years	15 Days
6-15 Years	20 Days
16+ Years	25 Days

Upon termination of a management employee's service with the Town, such employee shall be paid a lump sum equivalent to his/her accrued vacation leave. Maximum accumulation of vacation leave is 40 workdays.

#### SECTION 6. SICK LEAVE

Management employees shall be entitled to accrue one working day of sick leave with pay for each month or major fraction thereof. Sick leave may be accrued by management employees without a maximum limitation.

#### SECTION 7. SICK LEAVE PAY OFF

Management employees hired prior to July 1, 2001 may receive cash equivalent compensation of 50% of their accrued sick leave, up to a total of 60 days, if the following conditions are met:

- a. The employee files for a service retirement from the Town, or
- b. The employee voluntarily separates from the Town and has at least 15 years of service with the Town.

Effective July 1, 2011, the cash value of this benefit will be determined based on each employee's hourly rate and number of eligible hours for cash-out purposes (50% of sick leave balance, up to 60 days). This value will be documented and the value capped. This value cannot grow through additional accrued sick leave or through increases in pay. Employees with 15 years or more service with the Town may request a cash-out of 60% of the eligible hours (early cash-out option). Should an employee request the early cash-out of 60% of the eligible sick leave hours, they will not be entitled to any further sick leave cash-out upon retirement or separation of employment with the Town. Those hours cashed out will be deducted from the employees sick leave balance. If an employee is not eligible for, or elects not to take, the early cash-out option, they shall be paid the frozen dollar value upon separation of employment with the Town. The only way the frozen dollar amount can be lowered is if an employee has less accrued sick leave hours upon separation of employment than they do on July 1, 2011. For tax planning purposes, should an employee desire to take the early cash out option, they will be allowed to take this payment in either 2011 or in January 2012.

For management employees hired after July 1, 2001, they may accrue unlimited sick leave with no option for "cashback" benefits.

#### SECTION 8. HOLIDAYS

The Town agrees to provide management employees the following holidays:

New Year's Day	January 1
Martin Luther King Day	Third Monday in January
President's Day	Third Monday in February
Memorial Day	Last Monday in May

Independence Day	July 4
Labor Day	First Monday in September
Veterans Day	Observed during Holiday Furlough
Thanksgiving Day	Fourth Thursday in November Friday after Thanksgiving
Christmas Eve	December 24
Christmas Day	December 25
New Year's Eve	December 31

When a holiday falls on a Saturday, the preceding Friday shall be observed. However, if a holiday falls on a Saturday and the preceding Friday is also a holiday, the Town Manager may designate the preceding Thursday or following Monday to observe the holiday. When a holiday falls on Sunday, the following Monday shall be observed. However, when a holiday falls on a Sunday and the following Monday is also a holiday, the Town Manager may designate the preceding Friday or following Tuesday to observe the holiday.

#### SECTION 9. HOLIDAY CLOSURE

For calendar year 2018, the day that represented employees would typically be required to take a 1 day vacation or administrative leave falls on a day that Town Hall is scheduled to be closed. Therefore, the customary vacation or administrative leave day will not be required in calendar year 2018. Tiburon Town Hall will be closed from December 24, 2018 through January 1, 2019.

Proposed Schedule:

Monday, December 24, 2018	Christmas Eve Holiday Observed
Tuesday, December 25, 2018	Christmas Day
Wednesday, December 26, 2018	Veteran's Day Observed
Thursday, December 27, 2018	Furlough Day on Town
Friday, December 28, 2018	Town Hall Closed
Monday, December 31, 2018	New Year's Eve Holiday Observed
Tuesday, January 1, 2019	New Year's Day

#### SECTION 10. ADMINISTRATIVE LEAVE

In recognition of the long hours required to perform at the management level, including attendance at numerous meetings outside normal working hours, the following Administrative Leave policy shall be implemented:

Management employee may receive up to ten days administrative leave annually, to be awarded at the discretion of the Town Manager.

#### SECTION 11. DINNER ALLOWANCE

All management employees who live more than 10 miles from Town and who are required to attend night meetings or work after office hours beyond 7:00 P.M. may be reimbursed in an amount not to exceed \$25.00 for the purchase of dinner for that night. This allowance applies to management employees who reside outside a ten-mile radius of the Town. Employee reimbursement is subject to the approval of the Town Manager and must be accompanied by a restaurant receipt, which shall include the amount, date, meeting or purpose, and the employee's name.

#### SECTION 12. TERMINATION ALLOWANCE

In order to foster job security within a professional climate, management employees will be entitled to severance pay when they are terminated from Town service. However; such employee must be in the employ of the Town for at least three (3) years, and such termination is not for cause or for reasons listed in Government Code Section 19572, the Town's Personnel Rules & Regulations, Section 6, or any employee who voluntarily resigns from Town Service for personal reasons.

Unless otherwise noted in an Employment Agreement, Management employees shall be covered by the following termination allowance schedule:

<u>Service</u>	<u>Work Weeks</u>
After:	
3 years	1 month
7 years	2 months
10 years	3 months

This severance pay is in addition to any accrued vacation leave, unused at the time of termination.

#### SECTION 13. VEHICLE USAGE/ALLOWANCE

Management employees, to a far greater extent than other Town employees, are required to travel throughout the Town, County, and Bay Area to fulfill their job requirements. This travel is frequently required outside of normal working hours. In recognition of this employment requirement, the Town shall provide either the use of a Town vehicle or an automobile allowance, as provided in the Town budget. Use of a Town vehicle shall be in accordance with the Town's Administrative Policies and Procedures and is not intended for private use.

#### SECTION 14. TUITION REIMBURSEMENT

In order to promote continued development of skills, knowledge, and abilities among management employees, the Town of Tiburon shall reimbursement the costs of tuition, books and fees at the rate of the California State University system. Employees must receive prior approval of the Town Manager and submit certified transcripts with the evidence of a grade of "C" or better from an accredited college or university and submit

bona fide receipts to qualify for tuition reimbursement. This provision has been suspended since FY 2011-12.

SECTION 15. PROFESSIONAL MEMBERSHIP FEES

Most management personnel are expected to maintain membership in appropriate professional organizations. These memberships serve to acquaint the Town with current programs and procedures in these professional areas by means of publications and specific activities. The Town will include the cost of these membership fees in the respective departmental budgets.

SECTION 16. RETIRED EMPLOYEE'S MEDICAL ALLOWANCE

For any Management employee hired prior to July 1, 2009, the Town of Tiburon will make contributions toward a retired employee's medical insurance plan based upon the following conditions:

- a. Employee must retire directly from employment with the Town of Tiburon and apply to PERS for retirement benefits.
- b. The retiree's medical insurance allowance is fixed and capped at the Kaiser single rate that is in effect at the time of the employee's retirement.
- c. The Town's contributions rate is based on the following formula:

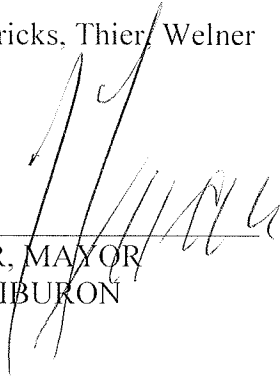
<u>Percent of Kaiser Single Rate</u>	<u>Years of Consecutive Service to Town</u>
50%	15 Years
75%	20 Years
100%	25 Years

Such coverage is not extended to employee's spouse or other dependents.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the provisions of this resolution shall supersede any other previous rules and resolutions of the Town of Tiburon which may be in conflict herewith.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Tiburon on July 18, 2018, by the following vote:

AYES:	COUNCILMEMBERS:	Fraser, Fredericks, Thier, Welner
NOES:	COUNCILMEMBERS:	None
ABSENT:	COUNCILMEMBERS:	Kulik



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JIM FRASER, MAYOR  
TOWN OF TIBURON

ATTEST:



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LEA STEFANI, TOWN CLERK