



MEMORANDUM OF UNDERSTANDING

between the

CITY OF SANTA FE SPRINGS

and the

SANTA FE SPRINGS EXECUTIVE MANAGEMENT ASSOCIATION

July 1, 2024 - June 30, 2027

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PREAMBLE

Pursuant to Government Code Section 3500 *et seq.*, representatives of the City of Santa Fe Springs ("City") have met and conferred in good faith with representatives of the **Santa Fe Springs Executive Management Association** and have reached an agreement to recommend that the City Council take the actions identified in this comprehensive Memorandum of Understanding (hereafter either "Memorandum," "MOU" or "Agreement"). Upon ratification of this Comprehensive MOU by a majority vote of the bargaining unit membership as well as adoption by the City Council, all terms and conditions set forth herein shall become binding. Except as otherwise modified herein, existing wages, hours, and other terms and conditions for employment shall remain in full force and effect.

ARTICLE I – IMPLEMENTATION

SECTION A - TERM

Period Covered: July 1, 2024 through June 30, 2027

SECTION B - RECOGNITION

The **Santa Fe Springs Executive Management Association (SFSEMA)**, is the exclusive representative of the executive managers, who are "at-will" employees, in a bargaining unit for the purpose of meeting and conferring over wages, hours, and terms and conditions of employment. However, the entering into this MOU does not confer a property right and/or any rights that are not provided by law or specifically enumerated in this agreement.

SECTION C - PROVISIONS OF LAW AND SEVERABILITY CLAUSE

Except as modified herein, all relevant federal, state, and local laws apply. Should any provisions of this MOU be found to be in violation of any law, rule or regulation, the remaining provisions will remain in full force and effect for the duration of this MOU.

SECTION D - PROFESSIONAL COMMITMENT

International City/County Management Association Code of Ethics:

1. The Parties acknowledge that the Executive Management employees are committed to the ideals of the International City/County Management Association ("ICMA"). The Parties mutually desire that the Executive Management employees are subject to and comply with the ICMA Code of Ethics. The City and the City Council agree that neither the City Council nor any of its members will give the Executive Management employees any order, direction, or request that would require the Executive Management employees to violate the ICMA Code of Ethics.

City Council Commitments:

1. The City Council sets policy for the governance and administration of the City, and it implements its policies through the City Manager.
2. Except for the purpose of inquiry, the City Council and its members shall deal with all subordinate City employees and officers solely through the City Manager or the City

Manager's designee, and neither the City Council nor any member thereof shall give orders to any subordinate of the City Manager, either publicly or privately.

3. Except for the purpose of inquiry, the City Council and its members shall deal with all contractors and consultants solely through the City Manager or the City Manager's designee, and neither the City Council nor any member thereof shall give orders to any contracted third party of the City, either publicly or privately.
4. The City Council agrees none of its individual members will order the appointment or removal of any person to any office or employment under the supervision and control of the City Manager.
5. The City Council agrees to proactively create and maintain a respectful, safe, and comfortable workplace, free of harassment, retaliation, or discrimination, where individual differences are welcomed and valued.
6. The City Council agrees that any criticism of a City staff member, including the City Manager, shall not be done publicly through any communication medium, both virtually and physically, but shall be done privately through the City Manager.
7. The City Council agrees that all communication, both written and oral, with the City Manager and all subordinate employees shall be done with respect and dignity to promote an environment of civility and professionalism.
8. Neither the City Council nor any of its members shall interfere with the execution of the powers and duties of the City Manager. The City Manager shall take orders and instructions from the City Council in accordance with the Santa Fe Springs Municipal Code § 31.10.

SECTION E - INCORPORATION OF CITY CODE, RULES, AND POLICIES

This MOU memorializes changes in terms and conditions for members of the Executive Management bargaining unit as well as modifications of certain existing City codes, rules, and policies.

Incorporation of City code, rules, and policies have been adopted during "*Meet and Confer*" sessions and shall be considered adopted by reference in this MOU.

Unless the parties mutually and voluntarily agree to do so, neither party shall be obligated to negotiate over matters covered by, or within the scope of, this Agreement, during the term of this Agreement.

SECTION F - FULL UNDERSTANDING, MODIFICATION AND WAIVER

It is the purpose of this MOU to promote and provide for harmonious relations, cooperation, and understanding between Management and the employees covered by this Memorandum; to provide an orderly and equitable means of resolving any misunderstandings or differences which may arise under this Memorandum; and to set forth the understanding of the parties reached as a result of good faith negotiations regarding wages, hours and other terms and conditions of employment covered by this Memorandum. This Memorandum of Understanding memorializes the terms and conditions for members of the bargaining unit as well as modifications of other existing City rules and policies. All other City rules, policies, and regulations shall be considered incorporated, by reference, in this MOU. Unless the parties mutually and voluntarily agree to do so, neither may be obligated to negotiate over matters covered by this Agreement or over other matters within the scope during the term of this Agreement.

ARTICLE II – COMPENSATION

SECTION A – COMPENSATION PLAN

Executive Management employees will be paid on a bi-weekly basis. Payroll checks will be made available to employees on the Thursday following the completion of each bi-weekly period. In the event that a payday falls on a holiday, payroll checks may be made available on the first day preceding the holiday. Direct deposit is also available to all employees. The City will directly deposit the payroll check into the employee's savings or checking account.

SECTION B – WAGES

The City and the Executive Management Association agree that each classification represented by this Agreement shall receive the following Cost of Living Adjustments (COLA):

1. 3% COLA, effective the pay period that includes July 1, 2024
2. 3% COLA, effective the pay period that includes July 1, 2025
3. 2% COLA, effective first pay period that includes July 1, 2026

SECTION C - SALARY RANGES

Salary Matrix - Positions covered under this MOU shall be placed on the new salary range (Steps) as follows:

1. Members covered under this MOU will be placed at the appropriate Step, within the salary range at the time of City Council approval of this MOU without being less than their current rate of pay.
 - a. Effective the pay period that includes July 1, 2024, the new 10-step pay range from the compensation study will go into effect.
- * See the City Salary Schedule
2. Members will be eligible for a step increase annually on their work anniversary.
 - a. The City Manager may place the employee at any step in the range based on the Executive Management employee's skills, experience, knowledge, and/or combination of abilities.
 - b. The City Manager reserves the right to increase an employee's salary by one (1) step, two (2) steps or beyond within the adopted salary range based on their performance evaluation.
 - c. Should other employee groups receive cost of living salary adjustments during the effective term of the MOU, then the Executive Management employees shall also receive the average of the adjustments across all groups at the time they become effective.
 - d. Members shall be eligible for an annual, non-base pay building, non-PERSable merit-based incentive pay stipend if the member is at the maximum step of the salary range. The incentive is performance-based and under the sole discretion of the City Manager. Directors can receive up to four thousand (\$4,000) dollars and will be paid on the employee's anniversary date of each year for which the member qualifies. The Assistant City Manager can receive up to six thousand (\$6,000) dollars and will be paid on the employee's anniversary date of each year for which they qualify.

SECTION D - LONGEVITY COMPENSATION

Executive Management employees are entitled to the following longevity increments: 2% at 10 years of service (completion of 9 years), 2% at 15 years of service (completion of 14 years), 3% at 20 years of service (completion of 19 years), and 2% at 25 years (completion of 24 years) of service for a total cumulative rate of 9% at 25 years of service.

Executive Management employee longevity calculations will include full-time years of previous work experience plus any verifiable prior collective public service with another public agency as an active, full-time employee shall count for the purpose of longevity pay or benefits eligibility.

SECTION E - DEFERRED COMPENSATION

The City's deferred compensation program is designed to provide employees with a supplemental retirement savings plan. It is established and regulated according to Internal Revenue Service (IRS) guidelines and is known as an IRS 457(b) Plan. It is a tax deferral program in which an employee may elect to defer compensation up to the amount permitted by the IRS for any particular calendar year and thereby realize an immediate tax benefit. The money is invested and available to the employee with interest after retirement. IRS "catch-up" provisions are also available under this plan.

The City matches contributions by full-time employees to the City's Deferred Compensation Plan at a rate of *1:1 up to a maximum of 3%. MissionSquare Retirement is the record-keeper and third-party administrator of the 457(b) plan and 401(a) Plan. Employee matching is contributed towards 401(a) plan.
*Ratio: City: Employee.

Specifics concerning program application and investment options change periodically. The most current information can be obtained from the Human Resources Office.

SECTION F – MANAGEMENT INCENTIVE PAY

The City Manager may approve a 5 1/2% Management Incentive payment to the rate of base pay to recognize excellence in performance. Continuance of pay is reviewed annually and is measured against predetermined goals and objectives.

SECTION G – EDUCATION INCENTIVE PAY

1. Master's Degree (MA/S)– Employees who have received a Master's Degree from an accredited university, shall receive 5% of their regular base pay.
2. Certified Public Accountant - Employees certified as public accountants (CPA) shall receive 5.5% of their regular base pay. Employees shall immediately notify their supervisor if they have lost their certification for any reason.
3. Certified Professional Engineer (PE) – Employees certified as a professional engineer (PE) shall receive 5.5% of their regular base pay. Employees shall immediately notify their supervisor if they have lost their certification for any reason.

SECTION H - TECHNOLOGY STIPEND

Executive Management employees shall receive a monthly technology stipend of one hundred and fifty (\$150.00) dollars only if the employee does not accept a City provided cellular phone.

SECTION I - AUTO ALLOWANCE

Executive Management employees shall receive a monthly auto allowance of five hundred (\$500.00) dollars in-lieu of a City-provided vehicle.

SECTION J - BILINGUAL PAY

Bilingual pay may be paid to employees where the need to speak in another language is deemed useful by the City. To receive compensation, employees must pass a testing process as determined by the Human Resources Office. Compensation for Spanish currently is granted at the level needed for the position and as designated:

Level 1	Ability to speak and understand (basic)	\$100 per month	Oral test every two (2) years
Level 2	Ability to speak and understand (fluently)	\$175 per month	Oral test every four (4) years
Level 3	Ability to speak, understand, read, and write (fluently)	\$250 per month	Oral and written test every four (4) years

Bilingual pay will be paid for the following additional languages – Chinese, Tagalog, Vietnamese and Korean.

SECTION K - SEVERANCE PAY

An Executive Management employee whose position is abolished or vacated by a reduction in workload or lack of funds, or by mutual consent for convenience by the City Manager, or who is involuntarily removed from their position without cause will receive, upon termination, severance pay. Within thirty (30) days of the Executive Management employee's removal, the City shall pay a lump sum amount of six (6) months of the employee's base salary. Executive Managers who are terminated with cause shall not be entitled to any severance.

The Executive Management employee can only be terminated without cause by a permanent City Manager. That is, an individual serving in the role of "Acting" or "Interim" or serving in any capacity other than a permanently appointed city manager shall not have the authority to terminate the executive management employee without cause.

If the Executive Management Employee is terminated without cause within sixty (60) days prior to or following any City Council election, the employee shall be entitled to additional severance pay of three (3) months in addition to the severance pay described above. Such severance pay described in this section shall be paid in a single, lump-sum payment.

The displaced Employee shall also receive paid health, dental and vision insurance (at the Employee's current coverage) or shall continue to receive the amount of the Health Insurance Cash-Out the displaced Employee was receiving at the time of separation. The amount of paid health/dental/vision insurance coverage or Health Insurance Cash Out shall be equal to the length of the severance pay that was granted under this section.

In consideration of receipt of the severance pay and benefits described in this section, the terminated Executive Management Employee will be required to sign a separation agreement provided by the City Attorney.

ARTICLE III- MEDICAL, DENTAL, VISION & ADDITIONAL INSURANCES

SECTION A - MEDICAL INSURANCE

The City contracts with the California Public Employees' Retirement System (CalPERS). An employee, spouses, registered domestic partners, and dependents are eligible for this benefit. A dependent may remain on the plan until age 26. If a dependent is qualified as disabled, the dependent may remain on the plan past their 26th birthday pending the approval from CalPERS Health Benefits Division.

An open enrollment period is held annually in the fall to permit employees to change plans and add/delete dependents.

The City's medical contribution cap will be adjusted January 1, 2025; January 1, 2026; January 1, 2027; to match the Kaiser (Region 3 rates for Los Angeles County).

The City contribution to medical premiums effective January 2024 is \$2,250.07 (*2024 Kaiser Region 3 / Fam Coverage*)

Health Insurance Cash-Out:

1. Requirements for an Executive Management employee to receive employer contributions that may be cashed out: Pursuant to the Affordable Care Act (ACA) Employer Mandate "affordability" determination, an eligible opt-out arrangement requires the following in order for employees who opt out of employer-provided health coverage to receive cash in lieu:
 - a. Employee must provide reasonable evidence that the employee and each member of the employee's expected tax family (i.e. individuals for whom the employee expects to claim a personal exemption deduction) has or will have the minimum essential coverage (other than coverage in the individual market, whether or not obtained through Covered California) during the period of coverage to which the opt-out arrangement applies;
 - b. Employee must provide proof of coverage by completing the Health Insurance Waiver Form.
 - c. Employee must provide proof of coverage every plan year, by completing a new Health Insurance Waiver Form to which the eligible opt-out arrangement applies; and
 - d. The opt-out payment cannot be made if the City knows or has reason to know that the employee or any other member of the employee's expected tax family does not have or will have the alternative minimum essential coverage.
2. Upon proof of coverage of insurance, the employee may opt out of City-provided insurance coverage. In such a case, the Executive Management employee with an "opt-out" arrangement with the City shall receive the monthly cash equivalent of eighty percent (80%) of the CalPERS Kaiser Los Angeles Region 3 monthly premium. All opt-out arrangements shall

be consistent with the employee's eligibility for contributions based upon the size of the employee's household.

SECTION B - DENTAL INSURANCE

The City contracts with Delta Dental Insurance. The City offers two options: Delta Care and Delta Premiere. The City pays the full premium for employees and eligible dependents in an HMO (Delta Care) Plan. An open enrollment period is held annually to permit employees to change plans and add/delete dependents. Employees who elect to receive Delta Dental PPO coverage shall contribute fifty dollars (\$50) per month towards the monthly premium. A dependent may remain on the plan until age 26. Retired full-time employees may continue dental coverage for themselves, their spouses, and eligible dependents, with the entire cost borne by the retiree.

SECTION C - VISION PLAN

The City has a vision care plan for full-time employees, spouses, registered domestic partners and dependents up to the age of 26, consistent with the Affordable Care Act (ACA). There is a \$20 deductible for eye examinations and no deductible for frames, lenses, contact lenses, or vision therapy. The employee reimbursement cap is \$450 per fiscal year; the spouse, registered domestic partner and other dependents are capped at \$400 per person per fiscal year. Employees and eligible dependents may choose laser surgery in lieu of receiving an annual reimbursement for four years. Employees are eligible for \$1,400 reimbursement for laser surgery and eligible dependents are eligible for \$1,200 reimbursement. If the employee retires or resigns during the four-year reimbursement period, the employee is responsible for reimbursing the City the prorated difference for him/herself and dependents. Prior to receiving the funds, the employee must enter into an agreement that the employee will reimburse the City, in full, within 90 days of separation if the employee has not fully reimbursed the City by the date of the employee's separation.

SECTION D - LIFE INSURANCE

Executive Management employees shall be provided Basic Life and Accidental Death & Dismemberment Insurance under a group policy. The basic amount specified in the group contract is \$150,000.

Executive Management employees may elect additional life insurance and authorize payroll deduction for any premium costs related to policy coverage in excess of the basic amount (including dependent coverage).

SECTION E - LONG-TERM DISABILITY INSURANCE

The City pays the premium cost for each full-time employee to receive long-term disability insurance. This plan is administered by Standard Insurance. Executive Management employees are eligible at the time of employment. The premium is paid in full by the City. There is a 60-day elimination period for this insurance. If your claim is accepted, you will be paid two-thirds of your monthly salary up to 24 months. Sick leave, Workers' Compensation, and PERS payments are integrated into this amount. If the employee dies during a period for which the benefits are payable, three (3) additional months of payment will be paid to the designated beneficiary. A copy of the actual plan description is on file in the Human Resources office.

The City does not pay into the State Disability system. This plan is used in lieu of State Disability.

ARTICLE IV – LEAVE ACCRUALS

SECTION A - VACATION LEAVE ACCRUAL

Accrual: Employees covered under this MOU shall accrue vacation leave in the amounts listed below. Vacation hours shall be accrued based on continuous years of service

Initial vacation accrual is based on the employees date of hire. If an employee is hired before the 15th of the month, the employee will begin accruing hours; If an employee is hired on the 16th through the end of the month, the employee will not accrue vacation leave.

CONTINUOUS YEARS OF SERVICE (MONTHS)	ACCRUAL PER MONTH
0 – 1 years	6.64 hours
1 – 2 years	7.52 hours
2 – 3 years	8.32 hours
3 – 4 years	9.20 hours
4 – 5 years	10.00 hours
5 – 6 years	10.32 hours
6 – 7 years	10.64 hours
7 – 8 years	11.04 hours
8 – 9 years	11.36 hours
9 – 10 years	11.68 hours
10 – 11 years	12.00 hours
11 – 12 years	12.32 hours
12 – 13 years	12.64 hours
13 – 14 years	12.96 hours
14 – 15+ years	13.28 hours
20+ years	14.0 hours

The City Manager may authorize leave accrual effective on the incumbent's total, prior years of service with other public agencies.

Executive management employees may accumulate 320 vacation hours in their vacation bank.

Executive Management employees that exceed their maximum vacation cap as of June 30, will be cashed out for any time in excess of 320 hours. The City shall cash out hours above the maximum vacation cap on the first full pay period in July.

Executive Management employees who have extenuating circumstances can request the maximum accrual cap be temporarily lifted due to an anticipated parenthood leave, extended medical leave, or similar situation. The request to receive a temporary reprieve from the vacation accrual cap without cash out may only be granted by the City Manager.

Accrued vacation leave will be paid out at separation from the City at the employee's current base rate of pay including all PERSable pay incentives.

Annual Vacation Leave Cash-Out: Employees shall have the option of converting accrued Vacation Leave to cash on an hour-for-hour basis subject to the following:

1. To cash out Vacation Leave hours, an employee must make an irrevocable election on or before December 31st of each calendar year in order to receive cash for Vacation Leave hours in the following calendar year.
2. The accrued Vacation Leave hours cash out will only be given to those employees who have made the affirmative election on or before the deadline by completing a form provided by the Finance Department.
3. A maximum of one hundred and sixty (160) vacation hours may be cashed out per year. However, an employee must retain a minimum balance of 40 hours in their vacation bank at the time of cash-out.
4. Employees will receive the cash out once per year, on the regular pay date, during the first full pay period in July.
5. Employees may choose to convert up to one hundred and sixty (160) hours of Vacation Leave to a defined contribution plan at the maximum contribution limit amount set by the IRS.
6. Vacation Leave shall be paid out at the member's current base rate of pay including all PERSable pay incentives.

SECTION B - SICK LEAVE ACCRUAL

Accrual and Cap: Employees covered under this MOU shall accrue sick leave and shall have maximum sick leave accrual cap in the amounts listed below.

ACCRUAL PER MONTH	ANNUAL ACCRUAL	ACCRUAL CAP
8.00 hours	96 hours	960 hours

Executive Management employees shall be compensated annually in November for one-half of their accumulated sick leave in excess of 960 hours. The remaining excess leave shall be accumulated in an individual retirement credit account.

Sick leave may be utilized for:

1. Personal illness or injury of the employee;
2. Authorized emergency leave; Serious illness or injury of the employee's spouse, state registered domestic partner, or child, parents, siblings, grandparents, any of which that reside in the unit employee's residence (in accordance with Labor Code § 233);
3. Where an employee which is a victim of domestic violence, sexual assault, or stalking, for the purposes described in Labor Code § 230(c) and 230.1(a);
4. Cases of quarantine;
5. Where exposure to contagious diseases would endanger the health of other employees.

Sick leave-related rules:

1. Sick leave may be taken in increments of one-half (1/2) hour or more.
2. Sick leave may not be used for disapproved vacation leave.
3. For absences of over three (3) days, a medical certificate from a qualified physician may be required.
4. In order to receive compensation while absent on sick leave, except in an emergency or due to extenuating circumstances, the employee shall provide notice, at least one (1) hour prior to employee's scheduled shift/start time. In an emergency, the employee shall report as soon as the situation reasonably allows.

Sick leave cash-out options at separation:

1. Sick Leave Cash-Out
 - a. Upon separation of employment, the City will pay out any unused sick leave hours in any and all of the employee's sick leave banks at 25% of the employee's current hourly pay.
2. Sick Leave Conversion to Service Credit
 - a. Executive Management employees who accumulate excess sick leave in an individual retirement credit account in excess of 960 hours may use the balance in the account, along with other accumulated sick leave, to be applied to the Retirement "Sick Leave Credit" benefit upon the employee's retirement.
3. Sick Leave Cash-Out
 - a. The City will pay out the Executive Management employees unused sick leave banks at 25% of the employee's current base hourly rate of pay.

During the period of this MOU, the City agrees to look into ways to maximize the unused sick leave contributions, possibly through a 401(a) plan.

SECTION C - HOLIDAY BANK

City observed holidays:

1. New Year's Day - January 1st
2. Martin Luther King Jr. Day - Third Monday in January
3. Lincoln's Birthday - Second Monday in February
4. Presidents Day - Third Monday in February
5. Cesar Chavez Birthday - March 31
6. Memorial Day - Last Monday in May
7. Juneteenth - June 19th
8. Independence Day - July 4th
9. Labor Day - First Monday in September
10. Veteran's Day - November 11th
11. Thanksgiving Day - Fourth Thursday in November
12. Day after Thanksgiving - Fourth Friday in November
13. Day before Christmas - December 24
14. Christmas Day - December 25th

• Every day appointed by the President or Governor as a holiday

Observation of holidays:

1. Designated holidays falling on a Monday through Thursday shall be observed by the City on the actual date of the designated holiday.
2. Designated holidays falling on a Friday, Saturday, or Sunday those hours will be banked to each employee's holiday bank for use upon request and approval or cashed out during the second (2nd) pay period in January if unused.
3. In the event an employee is allowed time off in conjunction with the holiday, the employee shall select the appropriate account to be debited which may include holiday, vacation, sick, in order to receive full compensation for actual hours not worked on a holiday.

Employees separating from the City:

1. Executive Management employees who leave City employment shall be paid a pro-rated amount of unused holiday time.
 - a. If an employee terminates employment prior to the holiday(s) on which time would have been earned, those credited hours will be reimbursed to the City on the employee's final paycheck.
 - b. If an employee terminates employment after the holiday(s) on which time has been earned, the unused hours shall be paid by the City on the employee's final paycheck.
 - c. If the employee has exhausted their holiday bank, then the equivalent hours will be taken from existing accruals, excluding sick leave.

SECTION D - EXECUTIVE LEAVE

Executive Management members will receive eighty (80) hours of Executive Leave in the first full pay period of each fiscal year. As of June 30 of each year, all unused Executive Leave will be paid out to the employee at their current base rate of pay, including all PERSable pay incentives.

SECTION E - BEREAVEMENT LEAVE

Executive Management employees are entitled to a maximum absence of five (5) days, three (3) paid days and two (2) unpaid days, for bereavement purposes in the event of the death of a member of the immediate family. An employee may take additional leave for bereavement purposes by charging the time off to sick leave. Such leave shall be granted up to the employee's accumulated sick leave balance with the approval of the City Manager or his designee.

Immediate family is defined as father, mother, brother, sister, son, daughter, spouse, registered domestic partner, grandparent, grandchild, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, step-mother, step-father, step-sister, step-brother, step-child, and step-grandchild. Executive Management employees will be allowed bereavement leave to care for a minor child (under 18 years old), in the employee's sole custody, to a funeral service if the parent of the child who is not defined as a member of the employee's immediate family (e.g. such as an ex-spouse) passes away

SECTION F - JURY DUTY

Leave of absence with pay shall be granted to a maximum of fifteen (15) working days to an employee who serves on a jury. In such cases, the employee shall be paid their regular salary or their normal hours of work scheduled. Employees on call for jury duty are expected to report for work. Jury and witness fees the employee may receive from court service shall be remitted to the City. Mileage reimbursement will be kept by the employee. On a case-by-case basis, the City Manager may extend said leave of absence with pay for jury duty.

SECTION G - LEAVE DEDUCTIONS

Executive Management employees shall not be deducted leave time (either sick, vacation, flexible, or executive leave as appropriate) for absences from work for periods of less than two hours. Under extenuating circumstances, the City Manager shall have the authority to approve absences of up to four hours without requiring a charge against an employee's leave bank.

ARTICLE V - RETIREMENT

SECTION A - CALPERS RETIREMENT TIERS

The City offers a defined retirement benefit plan through the California Public Employees' Retirement System ("CalPERS"). There are three (3) tiers of the retirement benefit plan depending on the date of hire and/or status as a "new member", as defined by the Government Code, which defines the employee contribution/cost sharing as follows:

- 1. Retirement Tier 1:** For employees hired prior to November 19, 2012 (Classic Members, Tier 1), the City shall provide the CalPERS 2.7% @ 55 retirement formula.

The City shall continue to provide CalPERS Classic Members with retirement benefits in accordance with the existing contract with CalPERS, and all amendments to the contract including:

- Retirement Benefit Formula - 2.7% @ age 55 Formula for Local Miscellaneous Members (Government Code § 21354.5).
- To be eligible for service retirement, you must be at least age 50 and have a minimum of five years of CalPERS-credited service.
- Employee Cost Share - The employee's eight percent (8%) portion of the retirement cost is paid fully by the City as "Employer Paid Member Contribution" (EPMC). The value of the EPMC is reported as special EPMC compensation (Government Code § 20516).
- Employee Contribution – Full-time employees contribute eight percent (8%) of their salary (cost share) on a pre-tax basis to offset the City's cost in providing enhanced retirement benefits (Government Code § 20516(f)). If there are any changes that legally require the cost-sharing to terminate, any percentage of cost sharing shall be applied towards the Employer Paid Member Contribution (EPMC).
- Death Benefits - Pre-Retirement Death Benefits to continue after marriage of survivor (Government Code § 21551).
- 1959 Survivor Benefit Level 4 – provides a monthly benefit for eligible survivor(s) who are not covered by social security (Government Code § 21574).
- Additional Service Credit of 2 years for Local Miscellaneous Members (Government Code § 20903).
- Military Service Credit as Public Service (Government Code Section 21024).
- Unused Sick Leave Credit – Unused sick leave will be converted to service credit at the rate of .004 year of service for each day of sick leave, provided there are less than 120 days between the member's separation date and retirement date (Government Code § 20965).
- Final Compensation - The average full-time monthly pay rate for the highest 12 consecutive month period (Government Code § 20042). If service is coordinated with Social Security, the member is subject to the \$133.33 reduction in final compensation.
- 2% Annual Cost of Living Allowance Increase (Government Code Section 21329).

- I. Death Benefit (Retired) - Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree's survivor (Government Code § 21620).
 - m. Prior Service Credit (Government Code § 20055). Service credit payment by payroll deduction is pre-tax.
2. **Retirement Tier 2:** For employees hired between November 19, 2012 and December 31, 2012, the City shall provide the CalPERS 2.0% @ 55 retirement formula.

The City shall continue to provide CalPERS Tier 2 Members with retirement benefits in accordance with the existing contract with CalPERS, and all amendments to the contract including:

 - a. Retirement Benefit Formula - 2.0% @ age 55 Formula for Local Miscellaneous Members (Government Code § 21354.5).
 - b. To be eligible for service retirement, you must be at least age 50 and have a minimum of five years of CalPERS-credited service.
 - c. Employee Contribution – Full-time employees pay seven percent (7%) member contribution.
 - d. Death Benefits - Pre-Retirement Death Benefits to continue after marriage of survivor (Government Code § 21551).
 - e. 1959 Survivor Benefit Level 4 – provides a monthly benefit for eligible survivor(s) who are not covered by social security (Government Code § 21574).
 - f. Additional Service Credit of 2 years for Local Miscellaneous Members (Government Code § 20903).
 - g. Military Service Credit as Public Service (Government Code Section 21024).
 - h. Unused Sick Leave Credit – Unused sick leave will be converted to service credit at the rate of .004 year of service for each day of sick leave, provided there are less than 120 days between the member's separation date and retirement date (Government Code § 20965).
 - i. Final Compensation - The average annual compensation earnable by the member during the 36-month period of employment (Government Code § 20037). If service is coordinated with Social Security, member is subject to the \$133.33 reduction in final compensation.
 - j. 2% Annual Cost of Living Allowance Increase (Government Code Section 21329).
 - k. Death Benefit (Retired) - Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree's survivor (Government Code § 21620).
 - l. Prior Service Credit (Government Code § 20055). Service credit payment by payroll deduction is pre-tax.
3. **Retirement - PEPRA:** For employees hired on or after January 1, 2013 and meeting the definition of "New Member" set forth in Government Code § 7522.02(c), shall be eligible for the retirement plan pursuant to California Public Employees' Pension Reform Act of 2013 (PEPRA).

The City shall provide Cal PERS Members with retirement benefits in accordance with PEPRA, including:

- a. Retirement Benefit Formula – 2% @ age 62 Formula for Local Miscellaneous Members (Government Code § 7522.20).
- b. To be eligible for service retirement, you must be at least age 52 and have a minimum of five years of CalPERS-credited service.

- c. Employee Contribution – Full-time employees pay the member contribution of fifty percent (50%) of normal cost as determined by CalPERS.
- d. Death Benefits - Pre-Retirement Death Benefits to continue after marriage of survivor (Government Code § 21551).
- e. 1959 Survivor Benefit Level 4 – provides a monthly benefit for eligible survivor(s) who are not covered by social security (Government Code § 21574).
- f. Additional Service Credit of 2 years for Local Miscellaneous Members (Government Code § 20903).
- g. Military Service Credit as Public Service (Government Code Section 21024).
- h. Unused Sick Leave Credit – Unused sick leave will be converted to service credit at the rate of .004 year of service for each day of sick leave, provided there are less than 120 days between the member's separation date and retirement date (Government Code § 20965).
- i. Final Compensation – The highest average annual compensation earnable by the member during the consecutive 36-month period of employment (Government Code § 20037).
- j. 2% Annual Cost of Living Allowance Increase (Government Code Section 21329).
- k. Death Benefit (Retired) - Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree's survivor (Government Code § 21620).
- l. Prior Service Credit (Government Code § 20055). Service credit payment by payroll deduction is pre-tax.

ARTICLE VI- POST RETIREMENT BENEFIT

SECTION A - RETIREE MEDICAL BENEFITS

An employee who is vested in CalPERS and retires from the City is eligible for coverage through the CalPERS Retirement Plan.

The City contribution to medical premiums for retirees, effective January 2024 is \$2,250.07 (*2024 Kaiser Region 3 / Fam Coverage*)

All full-time members commencing the month following one full month of retirement and continuing through the period prescribed by law, receive the minimum employer health premium contribution as prescribed by Government Code § 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA). The retiree may remain enrolled in an eligible health benefit plan in order for the City to be obligated to pay the prescribed premium. If the employee provides the City with a qualified "opt-out" based upon the existence of qualifying insurance coverage, the employee may elect to receive the monthly cash equivalent of eighty percent (80%) of the CalPERS Kaiser Los Angeles Region 3 monthly premium. All opt-out arrangements shall be consistent with the employee's eligibility for contributions based upon the size of the employee's household.

ARTICLE VII - MISCELLANEOUS PROVISIONS

SECTION A - PHYSICAL EXAMINATIONS

Executive Management Employees shall annually receive a City-paid comprehensive physical medical examination from Scripps Center for Executive Health, or comparable service provider as authorized by

the City Manager. The City shall pay the cost of the "Whole Person Examination" and shall cover the cost of lodging for one night on a reimbursement basis upon presentation of appropriate document and receipts.

SECTION B - TUITION REIMBURSEMENT

Executive Management employees shall be eligible for tuition advancement or reimbursement of pre-approved education or professional development expenses up to the maximum of \$4,000 per fiscal year. Eligible fees include tuition and textbooks. All other fees are subject to approval by the City. School supplies are not reimbursable. The employee must complete the course(s) listed on the tuition reimbursement agreement with a passing grade of "C" or better or pass/fail. The employee must remain employed with the City after completion of the course for a period of one year, or refund to the City the full amount reimbursed for the course(s). Prior to receiving the funds, the employee must enter into an agreement with the City that the employee will reimburse the City in full within 90 days of separation if the employee's employment is terminated before the end of the one-year period.

SECTION C - PERSONAL COMPUTER PURCHASE PLAN

Executive Management employees are eligible to purchase a personal computer or digital camera in conjunction with a computer; peripheral equipment and software through an interest free loan of City funds. Only one computer loan is allowed at a time. Repayment is guaranteed through bi-weekly payroll deductions. The employee agrees that the computer equipment is for their own or their immediate family's use only. The minimum loan amount is \$500 and the maximum loan amount is \$3,000. Prior to receiving the funds, the employee must enter into an agreement that the employee will reimburse the City, in full, within 90 days of separation if the employee has not fully reimbursed the City by the date of the employee's separation.

SECTION D - SECTION 125 PROGRAM

Executive Management employees are eligible for an Internal Revenue Section 125 program which allows employees to allocate specified amounts of monthly pre-tax salary or wages for the reimbursement of medical care expenses or dependent care expenses or both.

SECTION E - MANAGEMENT RIGHTS

Nothing in this agreement shall be construed to prohibit the City from exercising all management rights and prerogatives except those expressly waived in this agreement. The City has all rights to manage the City, including the establishing of rules, directives, and orders except those expressly waived by this agreement. It is recognized that, except as expressly provided in this agreement, the City shall retain whatever rights and authority are necessary for it to operate and direct affairs of the City in all of its various aspects, including but not limited to the right to direct the working forces; to plan, direct and control operations and services of the City; to determine the methods, means, organization, and number of personnel by which such operations and services are to be conducted; to assign and transfer employees; to schedule working hours and to assign overtime; to determine whether goods or services should be made or purchased; to hire, promote, suspend, discipline, or discharge in compliance with employment law; to make and enforce.

SECTION F - AVOIDANCE OF INEQUITIES

The City Manager shall possess the authority to promote equity and equality, directly and indirectly, to reduce instances of poverty. The authority of the City Manager shall encompass but not limited: to adjustment of the distribution of unequal and/or unjust resources and opportunities among employees of City of Santa Fe Springs, to treat people uniquely by public policy to compensate for different

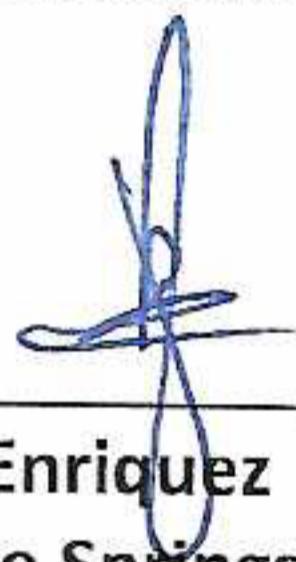
circumstances, to adjust pay increases wherein inequity is present, to boost social cohesion and reduce political conflict.

SECTION G - SHARED AGREEMENT CLAUSE

Nothing in this Agreement shall limit the Parties' ability to mutually agree, in writing, to implement different terms than those provided in this Agreement.

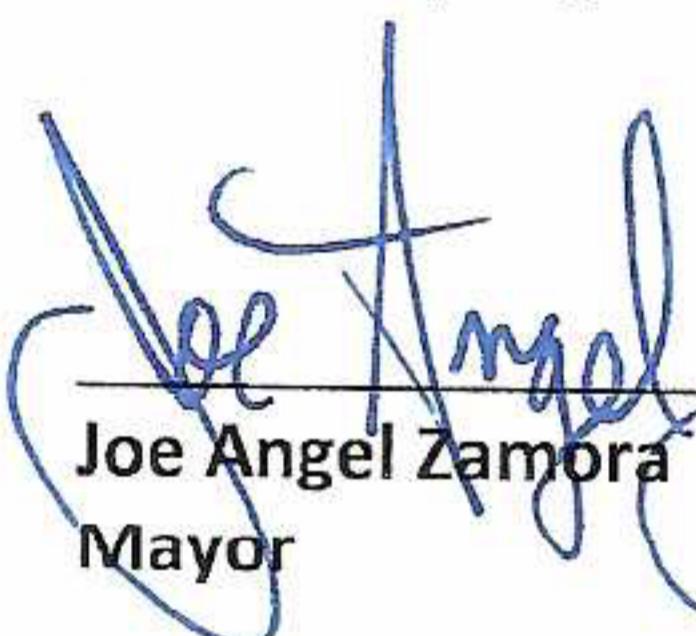
ARTICLE VIII - RATIFICATION AND EXECUTION

This MOU shall be effective only upon ratification by the Association and adoption by the City Council. Subject to the foregoing, this MOU is hereby executed by the authorized representatives of the City and the Association.



1/14/26

James Enriquez
Santa Fe Springs Executive Management Association



Joe Angel Zamora
Mayor

1/14/26

APPENDIX

JOB TITLES
Assistant City Manager
Director of Community Development
Director of Community Services
Director of Economic Development
Director of Finance
Director of Parks and Recreation
Director of Police Services
Director of Public Works/City Engineer