

EXHIBIT 'A'

CITY OF CYPRESS SCHEDULE OF BENEFITS EXECUTIVE AND MID – MANAGEMENT EMPLOYEES

PART I - HOLIDAYS

Section 1. Recognized Holidays.

A. For pay purposes, the following holidays are recognized as municipal holidays for permanent employees. Said employees shall receive these holidays off with pay: New Year's Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, the Friday following Thanksgiving Day, Christmas Eve Day and Christmas Day.

B. Beginning the first pay period of the payroll year, current employees shall be credited with two (2) floating holidays (2 days). Floating Holidays must be taken in full day increments. Employees hired after the beginning of the payroll year, but before September 1 of the payroll year, will be credited with two (2) floating holidays. Floating holidays may be taken subject to approval of the employee's supervisor after consideration of the department workload and other staffing considerations such as, but not limited to, leave schedules of other employees already approved, sick leave and position vacancies. Floating holidays must be taken as paid time off in the payroll year of crediting. There shall be no cash payment for unused floating holidays.

C. When any holiday, recognized by the City, falls on a Sunday, the following Monday shall be considered the holiday; when any day, recognized by the City as a holiday, falls on a Saturday, the preceding Friday shall be considered the holiday.

D. Religious holidays requested off shall be done so in writing to the employee's supervisor. If approved, such time shall be charged against accumulated sick leave, vacation, or floating holiday leave.

Section 2. Holidays Falling During Approved Leaves of Absence Without Pay. Any employee on an approved leave of absence without pay, having the holiday fall during the period of such leave of absence without pay, shall be eligible for such holiday pay only in those instances where said employee has worked either the day before or the day immediately following said holiday.

PART II - VACATION

Section 1. Eligibility. All regular, full-time employees, having completed a minimum of six (6) months continuous service with the City, and annually, thereafter, shall be eligible for a paid vacation at the employee's then current rate of pay. Recognizing that it is preferred that the full vacation be taken at one time, the employee may, nevertheless, request a modification of this preference. Upon approval of the City Manager, appropriate modifications may be allowed.

Section 2. Vacation Accrual.

Executive Management employees shall accrue vacation leave by the following formula:

<u>Hours/Month</u>	<u>Year of Employment</u>	<u>Annual Amount (Hours)</u>
10.0000	1st – 6th years	(120 hours)
10.6667	7th year	(128 hours)
11.3334	8th year	(136 hours)
12.0000	9th year	(144 hours)
12.6667	10th year	(152 hours)
13.3334	11th year	(160 hours), and each month thereafter.

Mid-Management employees shall accrue vacation leave by the following formula:

<u>Hours/Month</u>	<u>Year of Employment</u>	<u>Annual Amount (Hours)</u>
6.6670	1st year	(80 hours).
7.3334	2nd year	(88 hours).
8.0000	3rd year	(96 hours).
8.6667	4th year	(104 hours).
9.3334	5th year	(112 hours).
10.0000	6th year	(120 hours).
10.6667	7th year	(128 hours).
11.3334	8th year	(136 hours).
12.0000	9th year	(144 hours).
12.6667	10th year	(152 hours).
13.3334	11th year	(160 hours), and each month thereafter.

Section 3. Maximum Accrual.

A. Executive Management employees may accumulate unused vacation to a maximum of three hundred and sixty (360) hours. Mid-Management employees may accumulate unused vacation to a maximum of the amount accrued in the twenty-four (24) months immediately preceding the employee's anniversary date of employment. The accrual of vacation shall cease when an employee's accumulated vacation is at the maximum provided in this Section. Additional vacation shall begin accruing when the employee's vacation balance falls below the maximum.

B. For purposes of this Article, the term "anniversary date of employment" is the date an employee began accruing vacation with the City.

Section 4. Use of Vacation.

A. The time at which an employee's vacation is to occur shall be determined by the employee's supervisor with due regard for the wishes of the employee and particular regard for the needs of the service.

B. An employee who has completed five (5) years or more of continuous service and who has taken forty (40) cumulative hours of vacation in his/her current anniversary year may elect to be paid for up to a maximum of eighty (80) hours of accrued vacation. Such election may be exercised each anniversary year. Request for payment shall be made at least seven (7) calendar days prior to the employee's anniversary date of employment.

Section 5. Vacation Payment at Termination.

A. Employees terminating employment shall be paid in a lump sum for all accrued vacation leave.

B. When termination is caused by the death of the employee, said payment for unused vacation shall be paid to the beneficiary designated by the employee. Such designation shall be in writing, signed by the employee and filed with the Personnel Office. In the event an employee has not designated a beneficiary, the payment shall be made to the estate of the employee.

Section 6. Holidays Falling During Vacation Leave. In the event one or more municipal holidays fall within an annual vacation leave, such holiday shall not be charged as vacation leave and the vacation leave shall be extended accordingly.

Section 7. Vacation Earned During Leave of Absence. No vacation leave shall be earned during any leave of absence without pay for each thirty (30) day period of such leave.

Section 8. Vacation - Miscellaneous. Employees shall not work for the City during their vacation and, thereby, receive double compensation from the City.

PART III - SICK LEAVE

Section 1. General Sick Leave Provisions.

A. Sick leave shall be requested only in cases of actual personal sickness or disability, medical or dental treatment, or as authorized by the City Manager or the Personnel Officer under the provisions of the Federal Family Medical Leave Act/and or the California Family Rights Act, or California Labor Code Section 233 (use of sick leave). The employee requesting sick leave shall notify his immediate supervisor prior to the time set for reporting to work. Sick leave with pay shall not be allowed unless the employee has met and complied with these provisions and the department head or the City Manager has approved such payment.

Section 2. Eligibility. All employees covered by this Agreement shall be eligible to accrue sick leave.

Section 3. Accrual. Sick leave shall be accrued at the rate of eight (8) hours per calendar month for each calendar month that an employee has worked regularly scheduled hours and/or has been on authorized leave which provides for full pay, for at least fifteen (15) working days in that month.

Section 4. Accumulation and Payment Plan.

A. Accrued sick leave may be accumulated without limit, except that payment of accumulated sick leave shall be granted by the City Manager on an annual basis to all regular employees who have a minimum of one hundred twenty (120) hours of accumulated sick leave on record on December 1st, and opt to receive payment, during the subsequent December on a date determined by the City Manager at a rate of fifty percent (50%) of current salary for one-half (1/2) of their annual unused sick leave.

B. Payment of accumulated sick leave shall be granted by the City Manager on an annual basis to all employees covered by this Agreement who have a minimum of two hundred forty (240) hours of accumulated sick leave on record on December 1st, and opt to receive payment, during the

subsequent December on a date determined by the City Manager, at a rate of one hundred percent (100%) of current salary for one-half (1/2) of their annual unused sick leave.

C. Employees wishing to opt for payments stated in Section 4. (A) and (B) above, must notify the Human Resources Office of said decision thirty (30) days in advance of the payment date. The sick leave hours for which the employee receives payment shall be deducted from his or her sick leave record with the remaining one-half (1/2) of the annual accumulated sick leave being continued as a credit to the employee's sick leave account.

D. In accordance with the annual conversion policy set forth in Section 4. (A), (B) and (C) above, an employees shall have the option of depositing their sick leave payment in a City deferred compensation program instead of receiving payment in cash. All deposits made into the deferred compensation program shall be made in accordance with any and all regulations governing the deferred compensation program.

E. Upon death, retirement, separation or termination of an employee covered by this Agreement, with a minimum of sixty (60) days or four hundred eighty (480) hours of sick leave accumulation, said employee is entitled to receive fifty percent (50%) compensation for that accumulated sick leave.

F. Upon death, retirement, separation or termination of an employee covered by this Agreement, with a minimum of five (5) years of service and with between two hundred forty (240) hours and four hundred eighty (480) hours of sick leave accumulation, said employee is entitled to receive payment for the difference between that amount of sick leave and two hundred forty (240) hours at fifty percent (50%) compensation.

G. In accordance with the payment plan set forth in Section 4 (E) and (F) above, upon separation, termination or retirement of an employee covered by this Agreement, said employee shall have the option of depositing their sick leave payment in a City deferred compensation program, instead of receiving payment in cash. All deposits made into the deferred compensation program shall be made in accordance with any and all regulations governing the deferred compensation program.

Section 5. Use.

A. Sick leave may be requested and used as approved by the department head or the City Manager. Payment for approved sick leave shall be authorized until the employee's accumulated total of sick leave hours has been exhausted and at such time the employee shall receive no further payment for sick leave. An employee shall have his accumulated sick leave balance reduced by an amount equal to the number of hours of sick leave for which he receives payment.

B. Sick leave shall not be granted for disability arising from any sickness or injury purposely self-inflicted or caused by an employee's own willful misconduct.

Section 6. Sick Leave During Vacation. An employee who becomes ill while on vacation may have such period of illness charged to his accumulated sick leave provided that: immediately upon return to duty, the employee submits to his department head a written request for sick leave and a written statement signed by his physician describing the nature and dates of illness; and the department head recommends and the City Manager approves granting of such sick leave. The employee may request an extension of vacation due to illness, subject to the approval of the department head and City Manager.

Section 7. Extended Sick Leave. In the event of an employee's continuing illness which results in depletion of sick leave accumulation, the employee may request, in writing, to his department head and City Manager, a leave of absence without pay for the purpose of recovering from an illness, provided:

1. The employee has used all of his accumulated sick leave.
2. The employee presents to his department head for referral to and consideration by the City Manager, a written explanation of the employee's illness and an estimate of the time needed for recovery signed by the employee's physician.
3. Prior to resuming his duties, the employee may be required to take a medical examination at City expense and provide a medical release to return to work from the employee's physician as prescribed by the City Manager. The employment record and the results of such examination shall be considered by the City Manager in determining the employee's fitness to return to work.
4. The maximum period of such leave shall be three (3) calendar months. If the employee desires an extension, he shall follow, prior to the termination of his initial leave, the procedure described in subparagraph (2) above.

Section 8. Federal Medical Leave Act and the California Family Rights Act

The City shall comply with the Federal Medical Leave Act of 1993 (FMLA) and the California Family Rights Act (CFRA) of 1991. Where there are differences between similar provisions of the Acts, the City shall comply with the provision which gives the employee the greater rights.

Section 9. On-the-job Injury. All regular employees covered by this Agreement who are disabled by injury or illness arising out of and in the course of their duties as employees of the City, shall be entitled, regardless of his/her period of service with the City, to a leave of absence for the period of such disability, but not exceeding one (1) year, or until such earlier date as he is retired on permanent disability pension. During the first five (5) working days of such disability, the City shall pay one hundred percent (100%) of the salary in lieu of temporary disability payments. Thereafter, the employee shall receive eighty percent (80%) of salary in lieu of temporary disability payments. Any payments made pursuant to this Section shall not be charged to sick leave; provided, however, no sick leave or vacation benefits shall accrue during the period of such disability.

Section 10. Off-the-job Injury. An employee injured outside of his service with the City may apply for benefits under the disability insurance plan provided by the City.

Section 11. California Labor Code Section 233

Pursuant to California Labor Code Section 233, effective January 1, 2000, employees may use a total of forty-eight (48) hours of their accrued and available sick leave to attend to the illness of their child, parent, spouse, or domestic partner of the employee.

ARTICLE IV - HEALTH, DENTAL, VISION, LIFE AND DISABILITY INSURANCE

Section 1. Health Insurance Plan.

A. For the employees covered by the terms of this Agreement, the City and the employees shall contribute the sums listed below per month per employee toward health insurance:

MEDICAL RATE PROVISIONS AND SCHEDULE

Medical Insurance Benefit: The City shall provide medical insurance coverage for the employee and any dependents which may include medical, dental and vision insurance plans. Effective January 1, 2008 the City shall provide a maximum contribution amount of \$1,455.91 per month for Executive Management employees and \$1255.91 per month for Mid-Management employees. Annual increases to the City's monthly contributions shall be based upon increases to the highest-priced area HMO plan offered through the PERS Health Plan. Employees shall maintain the PERS Health Plan minimally at the employee-only coverage level, unless the employee demonstrates proof of other comparable coverage. Coverage under dental and vision plans shall be optional.

If the City's contribution exceeds the total premium cost of health plans chosen by the employee, the difference may be contributed toward additional/dependent coverage, including additional life insurance, or paid as additional compensation.

If the total premium cost of health plans chosen by the employee exceeds the City's contribution, the employee shall pay through payroll deduction the difference between the total cost and the city's contribution. The employee's exercise of the option to use the difference toward additional/dependent health coverage or receive the additional cash as compensation is subject to the conditions controlling enrollment periods and eligibility established by the respective plans or carriers.

B. Retiree Health Savings Plan

- a. The City will contribute \$185 per month for each employee participating in the Retiree Health Savings Plan beginning 7/1/07.

C. Supplemental Health Care Benefit - Eligible Retirees:

- a. Employees who service retire from the City, on or after 12/25/89, with at least ten (10) years of continuous service may be eligible for supplemental health care benefits effective on the date of retirement. The employee's service retirement date must immediately follow the employment separation date for the employee to be eligible to receive the supplemental health care benefit. The following employee(s) are grandfathered into the supplemental health care benefit:

- Richard Storey

- b. The retiree may receive a payment for this benefit pursuant to the following schedule:

<u>Yrs. of Continuous Service</u>	<u>City Payment</u>
10	\$300/month

- c. The monthly payment amount set forth in B above, can be used by the retiree to either continue his/her health care benefits as may be available through the PERS Health Plan or use the monthly payment amount to purchase alternative health care benefits. This monthly payment shall be sent to the eligible retiree on a separate City check (and may be paid quarterly or as mutually agreed).

- d. If the retiree chooses to participate in a plan other than the PERS Health plan, the retiree must provide the City with verification, as determined by the Personnel Officer, that the City payment is being used to secure alternative health care benefits.

- e. The above City payment will terminate on the date that the retiree reaches age 65 or on the date that the retiree becomes eligible for Medicare, whichever comes first.

Section 4. Life Insurance Plan. The City shall pay one hundred percent (100%) of the premium for a term life insurance policy for each eligible employee which shall be based upon a formula of one times the employee's annual salary rounded up to the nearest thousand dollars up to \$50,000 for Mid-Management and \$300,000 for Executive Management

A. The City will pick up the cost of rate increases that occur within the Life Insurance Plan.

Section 5. Disability Insurance Plan. The City shall provide a long-term disability insurance plan for all employees covered by this agreement. The City shall pay one hundred percent (100%) of the premium for the employee's long-term disability insurance plan.

Section 6. Wellness Program. Executive Management positions shall be provided a maximum of \$1,000 on a biennial basis (every two years) for wellness program expenses as determined by the Personnel Officer.

PART V – RETIREMENT

Section 1. The City/District shall make contributions for permanent personnel to the PERS plan known as two percent (2%) at fifty-five (55). The City shall pay all of the employees' contribution to their retirement plan and place it in the employees' individual accounts.

Section 2. The City's PERS contract shall provide the Survivor's Continuance Benefit to employees.

Section 3. The City's PERS contract shall provide for the 1959 Survivor's Benefit (Level 3). The City shall make the employees' contribution in the amount of \$2.00 per month.

Section 4. The City's PERS contract shall provide for the "Single Highest Year Compensation" benefit. The City shall pay for the entire cost of this benefit.

PART VI - AUTO ALLOWANCE

Employees in the following positions shall receive \$300 per month for auto allowance: Community Development Director, Finance and Administrative Services Director, Public Works Director/City Engineer, Recreation and Community Services Director. Effective July 1, 2008, the amount will increase to \$400.

Employees in the following positions shall receive \$300 per month for auto allowance: Administrative Services Manager, and City Clerk.

All other Mid-Managers shall receive \$100 per month for auto allowance.

PART VII – UNIFORM ALLOWANCE

The classification of Police Chief shall receive a Uniform Allowance of \$850 per year.

PART VIII – SPECIAL PAY PROVISION

The City Manager may designate the title of Assistant City Manager and assign additional job duties at the higher responsibility to an employee in of the following Executive Management positions:

Community Development Director, Finance and Administrative Services Director, Police Chief, Public Works Director/City Engineer, or Recreation and Community Services Director. The City Manager may authorize additional compensation of up to 5% over base pay for such duties. The duration of the assignment and additional compensation shall be at the sole discretion of the City Manager.