

Compensation and Benefits Profile

For

City of Ontario

Executive Management

July 1, 2013



Table of Contents

ARTICLE I.	ADMINISTRATION	3
Section 1.01	Introduction.....	3
Section 1.02	Purpose	3
Section 1.03	Objectives of the Plan Relative to Executive Management	4
ARTICLE II.	COMPENSATION.....	4
Section 2.01	Pay Plan and Benefit Review.....	4
Section 2.02	Compensation Adjustment.....	4
ARTICLE III.	BENEFITS	5
Section 3.01	Health Insurance Contribution.....	5
Section 3.02	Fringe Benefit Contribution	5
Section 3.03	Dental Insurance.....	5
Section 3.04	Vision Care Insurance.....	5
Section 3.05	Short-Term and Long-Term Disability	5
Section 3.06	Life Insurance	6
Section 3.07	Employee Assistance Program	6
Section 3.08	Deferred Compensation.....	6
Section 3.09	Vehicle Expense Reimbursement Allowance	6
Section 3.10	Expense Reimbursement.....	7
Section 3.11	Flexible Spending Account.....	7
Section 3.12	Uniform Allowance.....	7
Section 3.13	Service Weapon Upon Retirement or Honorable Resignation.....	8
ARTICLE IV.	RETIREMENT/END OF SERVICE	8
Section 4.01	CalPERS Contribution	8
Section 4.02	Post-Termination Compensation.....	9
Section 4.03	Continuation of Health Benefits/Life Benefits	9
ARTICLE V.	LEAVES.....	10
Section 5.01	Holidays.....	10
Section 5.02	Management Leave	10
Section 5.03	Bereavement Leave.....	11
Section 5.04	Annual Leave.....	11
Section 5.05	Other Paid and Unpaid Leave.....	12
ARTICLE VI.	FINAL SIGNATURE.....	12
APPENDIX A.	SALARY RANGE TABLE	

Article I. ADMINISTRATION

Section 1.01 Introduction

The Executive Management Compensation/Benefit Profile is a summary of benefits and compensation practices adopted by the City Council over several years to be applied on an ongoing basis. The provisions of this document apply to all employees appointed to Executive Management positions, Executive Level Contract employees (if applicable) and all elected officials to the extent the provisions are not in conflict with governing statutes.

This document sets forth policies and procedures to follow in implementing and administering this Executive Management Compensation/Benefit program. The various sections and provisions of the Government Code, Municipal Code, Personnel Rules and Regulations, and the "Employment Policies" in the City's Online Policy Center in effect and applicable to the above mentioned positions will remain in effect unless expressly superseded by provisions within this document.

The terms and conditions of employment for the City Manager and other Executive Management employees may also be addressed in individual employment contracts. Such contracts are considered to be supplemental to this document to address terms and conditions of employment that may not be addressed in this document. However, if an individual's employment agreement is in conflict with this document, then the provisions of the agreement will supersede the provisions of this document.

Employees in Executive Management positions are considered to serve at the will and pleasure of the City Manager. The appointment of a person to a position in the Executive Management Group will not require the establishment of an eligibility list. Appointment and termination actions relating to the Police Chief and Fire Chief positions are subject to confirmation by the City Council.

Section 1.02 Purpose

Persons employed in Executive Management positions are not represented by an employee organization.

This Executive Management Compensation/Benefit Profile is intended as a comprehensive document to define and describe the forms and amounts of compensation and benefits for Executive Management employees. This comprehensive document is intended to reflect all City Council actions in effect relating to the Executive Management Compensation Program.

The various forms of compensation and benefits described in this comprehensive document recognize that individuals in Executive Management positions should be compensated appropriately for exhibiting accountability, cost effectiveness, application of new technologies and maximizing the utilization of human, physical and fiscal resources; for exerting leadership to enhance the mission and future of the City; and for stimulating the development of people and methods which will facilitate the meeting of program goals and objectives.

Section 1.03 Objectives of the Plan Relative to Executive Management

- A. Recruit and retain well-qualified Executive Managers and enhance their management capabilities in areas such as leadership and accountability.
- B. Facilitate and enhance effectiveness and productive efforts of Executive Managers through evaluations of performance and the recognition of merit in determining compensation.
- C. Enable the City Manager, who is in the best position to judge merit and value to the City of an Executive Management employee's performance, to appropriately compensate Executive Management employees in recognition of such value.

Article II. COMPENSATION**Section 2.01 Pay Plan and Benefit Review**

Salary and benefit levels will be reviewed on a periodic basis. Such review will contain comparisons with other similar agencies within the appropriate job market. Such comparisons will be utilized to recommend competitive salary and benefit levels for Executive Management positions. Salary and benefit levels for individual positions may be adjusted from time-to-time, with the approval of the City Council (or City Manager, if appointed as its designee).

Section 2.02 Compensation Adjustment

- A. Compensation and benefit levels for positions in this group may be modified from time to time by the City Council by amendment to this document, or by the City Manager as authorized by the City Council. The salary ranges shall be increased for all Executive Group classifications as follows:
 - 1. Effective January 12, 2014, base salary ranges shall increase by 3%.
 - 2. Effective July 13, 2014, base salary ranges shall increase by 4%.
 - 3. Effective July 12, 2015, base salary ranges shall increase by 3.5%.
- B. The Executive Management Salary Range Table (Appendix A) is established to provide the minimum and maximum monthly salary levels for Executive Management positions.
- C. The City Manager is responsible for determination of each individual employee's salary rate within the assigned salary range. Such determination will be based on job performance and/or other competitive and economic factors.
- D. Salary compensation for elected officials of the City is determined in accordance with Ontario Municipal Code provisions and State law. Elected officials may also receive compensation for attendance at meetings of the Ontario Housing Authority and other applicable boards as authorized. Such compensation is determined by the City Council by resolution or ordinance and may be reviewed on a periodic basis.

Article III. BENEFITS

Section 3.01 Health Insurance Contribution

Active and retired employees and elected officials are eligible to participate in the City health insurance program. The City contributes up to a maximum of \$563 per month toward health insurance premiums for active and retired employees. The contribution rate is contingent upon the category of employee/dependent coverage. In addition, retirees from the position of Fire Chief hired into a regular position prior to July 1, 2012 shall receive a reimbursement from the City that will provide the same amount of retiree medical contributions as for retirees from the Fire Management Group hired prior to July 1, 2012. Retirees from the position of Police Chief and Deputy Police Chief hired into a regular position prior to July 1, 2012 shall receive a reimbursement from the City that will provide the same amount of retiree medical contribution as for retirees from the Police Management Group hired prior to July 1, 2012.

Section 3.02 Fringe Benefit Contribution

Active employees and elected officials, except the Fire Chief, Police Chief and Deputy Police Chief, will receive a fringe benefit contribution of \$820 per month to be applied to premiums for City insurance coverage or to defer to a City-offered deferred compensation program as described in Section 3.08. Active employees may also choose to receive any unapplied amounts as salary compensation. Elected officials may direct unapplied amounts to the annuity plan (Section 4.01C) and/or the health reimbursement accounts (Section 3.10D).

Effective the first paycheck in January 2014, the monthly contribution shall be \$1,010.

Effective the first paycheck in January 2015, the monthly contribution shall be \$1,040.

Effective the first paycheck in January 2016, the monthly contribution shall be \$1,300.

The active Fire Chief shall receive the same contribution toward medical insurance premiums as active employees in the Fire Management Group, but not less than the amount provided to other Executive Group employees. The active Police Chief and Deputy Police Chief shall receive the same contribution toward medical insurance premiums as active employees in the Police Management Group, but not less than the amount provided to other Executive Group employees.

All fringe benefit contributions are inclusive of the health insurance contribution in Section 3.01. If an employee is not participating in the City's medical program, the employee must provide verification of other group health insurance coverage.

Section 3.03 Dental Insurance

The City will contribute the full premium amount towards the cost of coverage for the employee and eligible dependents in the City's basic dental insurance programs for active employees and elected officials.

Section 3.04 Vision Care Insurance

The City will provide coverage for the employee and eligible dependents for the Executive City Vision Program for active employees and elected officials.

Section 3.05 Short-Term and Long-Term Disability

The City will contribute the full premium amount for coverage for the employee in the City designated short-term and long-term disability programs for active employees.

Section 3.06 Life Insurance

The City will contribute the premium amount for group term life insurance coverage in the amount of \$106,000 for basic life and \$109,000 for accidental death or dismemberment for active employees and elected officials.

Section 3.07 Employee Assistance Program

The City maintains an employee assistance program for active employees and elected officials. Confidentiality regarding employee use of this program will be maintained in full compliance with State and Federal Regulations.

Section 3.08 Deferred Compensation

- A. Active employees and elected officials may voluntarily contribute to the City's 457(b) deferred compensation plan in accordance with plan provisions.
- B. The City will contribute 7.5% of the employee's base salary for active employees, up to the maximum amount established by the relevant sections of the tax codes, into a City offered Section 457(b) deferred compensation plan.
- C. The City will establish a separate 401(a) money purchase plan for employer contributions. Upon establishment of the Section 401(a) plan, the City will make the following contributions to the extent permitted by law:
 1. For active employees, the 7.5% employer contribution will be made to the 401(a) plan instead of the 457(b) deferred compensation plan referenced in Section 3.08(B).
 2. For elected officials, any excess fringe benefit contributions not used for medical, dental, or vision premiums shall be contributed to the 401(a) plan.
 3. For elected officials who do not elect to become a member of the CalPERS retirement plan pursuant to Government Code Section 20322, any eligible contribution amount that the City's pays on the elected official's behalf shall be contributed to the 401(a) plan.

Section 3.09 Vehicle Expense Reimbursement Allowance

- A. From time-to-time the City Manager may assign a City-owned vehicle to an individual in an Executive Management position. Positions in this group not assigned a vehicle may receive a monthly stipend of \$500 as reimbursement for use of the individual's private vehicle for City business. The City Manager may adjust such stipend in accordance with levels of activity and operational necessity by group or individual position.
- B. The City Manager may be assigned a City-owned vehicle. Alternatively, the City Manager may receive a monthly stipend as reimbursement for use of the individual's private vehicle for City business in accordance with his/her employment contract. The Mayor shall be eligible to receive the same monthly stipend as reimbursement for the use of his/her private vehicle as is available to the City Manager.

Section 3.10 Expense Reimbursement

- A. In situations where expenses are incurred on a frequent or regular basis, the City Manager may designate a monthly reimbursement amount to cover such ongoing expenses. It is the individual's responsibility to maintain appropriate records of such expenses.
- B. Elected officials are eligible to receive designated allowance amounts in recognition of expenses incurred on a regular basis. Elected officials are eligible for reimbursement of expenses incurred on City business in accordance with the City's Travel Policy.
- C. Elected officials are eligible to receive electronic communication devices provided by the City, including cellular phones, facsimile machines, pagers, personal digital assistants (PDA), portable personal computers, and other wireless communications devices. City-provided devices shall remain the property of the City. The City shall be responsible for the initial connection fees and on-going fixed-rate basic service costs related to such devices. The City will also provide fixed-rate internet access, including telephone service costs, for elected officials for the purpose of sending and receiving electronic mail messages related to City business and to provide access to City computer networks. Elected officials shall incur any other variable service charges related to City and personal use of such devices and shall receive an allowance of \$175 per month, as reimbursement for the charges incurred for City business.
- D. Active Executive Management employees and elected officials shall be eligible for City reimbursement of medical, dental or vision care expenses that are not covered by the City's group plans incurred for themselves and their dependents. To be eligible, such expenses must have been incurred for medical, dental, or vision care expenses for the employee or the employee's dependents who are currently enrolled in any of the City's group plans. Such expenses may include plan premiums, deductibles, co-payments and other related expenses, including the expenses related to an annual physical examination. Payments shall not cover transportation expenses related to medical, dental or vision care. Each active Executive Management employee and elected official may receive a maximum amount of \$2,500 each calendar year. Reimbursements or direct payments shall be made based on submitted invoices, bills, receipts or other documentation that shows proof of payment.

Section 3.11 Flexible Spending Account

Active employees shall be eligible to participate in the City's Flexible Spending Account (FSA) plan. An FSA allows an employee to make pre-tax deduction for qualifying medical, dental and vision expenses and dependent care expenses. The plan is established and administered in accordance with Section 125 of the Internal Revenue Service Code.

Section 3.12 Uniform Allowance

Safety members of the group who wear their uniforms in public ceremonies or for operational necessity are entitled to a uniform allowance equal to that received by comparable safety management employees. Specifically, the Fire Chief shall receive \$2600 annually in the second paycheck in July for the purchase and maintenance of uniforms. The Police Chief and Deputy Police Chief shall receive \$950 annually in the first paycheck in November for the maintenance, cleaning and normal repair of uniforms.

Section 3.13 Service Weapon Upon Retirement or Honorable Resignation

Upon retirement or honorable resignation, the Police Chief and Deputy Police Chief have the option to purchase his/her service weapon under the same conditions and procedures in effect for all other police safety personnel.

Article IV. RETIREMENT/END OF SERVICE

Section 4.01 CalPERS Contribution

A. Classic Member

1. A classic member is defined as an employee who meets the definition of "classic" member for purposes of retirement pension benefits in accordance with the Public Employees Pension Reform Act of 2013. Generally, this includes employees that were hired before January 1, 2013 in the California Public Employees Retirement System (CalPERS) or a reciprocal retirement system with no break in service longer than six months. CalPERS ultimately determines who is a classic member in compliance with the law.
2. Classic miscellaneous employees shall be eligible for the 2.5% @ 55 Full and Modified Formula of Local Miscellaneous Members including integration with Social Security. This also includes the optional benefit of Government Code Section 20042, Highest Single Year.
3. The City will pay on behalf of a classic miscellaneous employee a portion of the employee's required contribution as follows:

Effective Date	City Contribution toward Employee's Share	Employee's Contribution toward Employee's Share
Current	8%	None
January 12, 2014	6%	2%
July 13, 2014	4%	4%
July 12, 2015	1.75%	6.25%

4. Classic safety employees shall be eligible for the 3% @ 50 Full and Modified Formula of Local Safety Members. This also includes the optional benefit of Government Code Section 20042, Highest Single Year.
5. The City will pay on behalf of a classic safety employee a portion of the employee's required contribution as follows:

Effective Date	City Contribution toward Employee's Share	Employee's Contribution toward Employee's Share
Current	9%	None
January 12, 2014	7%	2%
July 13, 2014	5%	4%
July 12, 2015	2.75%	6.25%

B. New Member

1. A new member is defined as an employee who meets the definition of “new” member for purposes of retirement pension benefits pursuant to the Public Employees Pension Reform Act of 2013. Generally, this includes employees that were hired into a regular position on or after January 1, 2013 or former members who have more than a six-month break in service. CalPERS ultimately determines who is a new member in compliance with the law.
2. New miscellaneous members shall be eligible for the 2% @ 62 Formula for Local Miscellaneous Members including integration with Social Security.
3. The employee contribution for new miscellaneous members shall be one-half the normal cost, as determined by CalPERS. As of July 2013, the required employee contribution of new miscellaneous members is 6.25%. This amount will be adjusted periodically by CalPERS.
4. New safety members shall be eligible for the 2.7% @ 57 Formula for Local Safety Members.
5. The employee contribution of new safety members shall be one-half the normal cost, as determined by CalPERS. As of July 2013, the required employee contribution of new fire safety members is 11.25%. The required employee contribution of the new police safety members is 12.75%. This amount will be adjusted periodically by CalPERS.

C. Elected Officials

1. Elected officials are eligible for membership in CalPERS under the City’s Miscellaneous Employees Group contract with CalPERS. CalPERS membership is optional for elected officials per Government Code Section 20322.
2. The City will pay the 8% (of salary) employee’s contribution on behalf of elected officials who elect CalPERS membership. If membership is declined, the City will contribute an equal amount to an alternate annuity plan. If the elected official does not qualify for the annuity plan, then an equal amount shall be contributed to the 457(b) deferred compensation plan. Upon establishment of a 401(a) money purchase plan, the City will contribute an equal amount to the 401(a) plan instead of the annuity or 457(b) deferred compensation plans.

Section 4.02 Post-Termination Compensation

In recognition that Executive Management employees serve at the will and pleasure of the City Manager, the City Manager may extend the compensation and benefits of employees whom are terminated from City employment. The period of such post-termination compensation shall be determined by the City Manager and may be included in the terms of a contractual agreement between the employee and the City made at the time the individual is hired or promoted.

Section 4.03 Continuation of Health Benefits/Life Benefits

Only certain specified employees hired prior to November 10, 1995, and whose rights were vested pursuant to authorization granted to the City Manager by Resolution No. 95-122, are eligible for this benefit. For such specified Executive Management employees, continuation of insurance coverage shall be subject to the following conditions. Additionally, the provisions of

Government Code Sections 53201 and 53208.5 shall apply and shall supersede these conditions to the extent there are any conflicts.

“Upon termination of City service, the City will upon request, continue health benefits or life insurance for individuals covered by this document. Such coverage may be in the form of PERS Health if applicable, or any other available equivalent health or life insurance plan. Eligibility is determined by no less than five years of executive level City service or one consecutive full four-year term in office.

This provision does not preclude individuals from participating in the PERS Health Plan, if eligible. The continuation of this program will be reviewed on an on-going basis relative to cost and levels of participation.”

Article V. LEAVES

Section 5.01 Holidays

The following paid holidays will be observed on the day specified.

New Year's Day	January 1 st
Martin Luther King's Birthday	3 rd Monday in January
Presidents' Day	3 rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4 th
Labor Day	1 st Monday in September
Columbus Day	2 nd Monday in October
Veteran's Day	November 11 th
Thanksgiving Day	4 th Thursday in November
Day After Thanksgiving Day	Day after 4 th Thursday in November
Christmas Eve	December 24 th
Christmas Day	December 25 th
New Year's Eve	December 31 st

- A. Any holiday listed in provision 5.01 which falls on Sunday will be observed on the following Monday.
- B. Employees will receive holiday hours in accordance with their regular workday not to exceed 10 hours per holiday.
- C. If a holiday falls on the employee's normal day off, he or she will receive annual leave equal to his/her regular workday, not to exceed 10 hours per holiday.
- D. At the City Manager's discretion, City Hall may be closed between and including Christmas Eve through New Year's Day. Employees may use accrued annual leave or management leave to cover this period of closure.

Section 5.02 Management Leave

Employees receive 48 hours at the first pay period ending in January to be used at their discretion. Employees hired or promoted after that date shall receive a pro-rated amount of such

leave. All such leave must be utilized as time-off during the calendar year and will not carry over to the succeeding calendar year. Such leave will not be converted to compensation upon separation from employment.

Section 5.03 Bereavement Leave

Employees receive three (3) working days of paid leave for bereavement purposes upon the death of a member of the employee's immediate family (defined as spouse, children, parents, brother, sister, grandfather, grandmother, grandchild, and the employee's mother-in-law, father-in-law, step-father, step-mother and step-children or any person who the employee has been assigned legal custody, or others required by Family Code Section 297 or successor legislation). Employees may receive an additional two (2) working days of paid leave if the deceased family member resided outside the state boundaries or in excess of 250 miles from the employee's home.

Section 5.04 Annual Leave

A. Accruals

1. The purpose of this leave is to provide employees in the Executive Management Group the ability to accrue time for vacation, sick leave and personal leave situations. Effective the first full pay period in July 2013, annual leave accrual rates will be based on year of service as follows:

Year of Service	Annual Leave Hours Earned Per Year
1 – 3	192
4	200
5 – 8	216
9 – 10	224
11	232
12	240
13	248
14	256
15	264
16+	272

2. One 26th (1/26) of such annual leave amount shall accrue each pay period.
3. The City Manager may authorize a higher accrual rate, not to exceed the maximum accrual rate, as needed for recruitment, retention or other business needs. The higher accrual rate will be authorized in terms of additional years of service and, once set, the accrual rate will continue to adjust with additional service credit in accordance with the accrual rate schedule above.
4. The maximum annual leave balance shall be 800 hours. Employees shall not accrue annual leave above 800 hours.

B. Leave Conversions

1. Employees may convert up to 240 hours of accrued Annual Leave to salary compensation per calendar year as follows:

Request Due Date	Payment Date
2 nd Friday in May	1 st Payday in June
2 nd Friday in November	1 st Payday in December

2. Employees may convert a minimum of 8 hours and a maximum of 240 hours at each opportunity, but the total number of hours converted per calendar year shall not exceed 240 total hours.
3. Employees who are promoted to an Executive Management position must convert all accumulated Vacation Leave and Sick Leave to Annual Leave at the time of promotion. Also, employees in the Executive Management Group with retained Sick Leave and Vacation Leave balances that were accumulated under previous City policies may convert such balances to Annual Leave hours subject to approval of the City Manager.
4. Vacation Leave and Sick Leave accrual balances will be converted at the following rates:
 - a. Each accumulated hour of Sick Leave will be converted to .6 hours of Annual Leave. After the conversion, there will be no Sick Leave balance.
 - b. Each accumulated hour of Vacation Leave will be converted to 1 hour of Annual Leave.

Section 5.05 Other Paid and Unpaid Leave

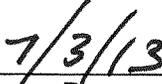
Executive Management employees are eligible for paid leave benefits for jury duty as provided for in the Department Head Profile. Executive Management employees may also be eligible for unpaid leaves of absence as described in the California Family Leave Act and the Family Medical Leave Act.

Article VI. FINAL SIGNATURE

All terms and conditions set forth in this Profile are hereby effective the 1st day of July 2013.



 Chris Hughes
 City Manager



 Date

APPENDIX A - SALARY RANGE TABLE

July 1, 2013 - Executive Management Compensation and Benefits Profile

Classification		Approximate Salaries*			
		July 14, 2013 Monthly Rate	January 12, 2014 Monthly Rate	July 13, 2014 Monthly Rate	July 12, 2015 Monthly Rate
Administrative Services/ Finance Director	Min	\$10,472.46	\$10,786.63	\$11,218.10	\$11,610.73
	Max	\$14,032.48	\$14,453.46	\$15,031.60	\$15,557.70
City Manager		Salary is determined by the contract approved by the City Council.			
Community & Public Services Director	Min	\$7,942.15	\$8,180.41	\$8,507.63	\$8,805.40
	Max	\$10,641.87	\$10,961.13	\$11,399.57	\$11,798.56
Deputy City Manager	Min	\$10,272.98	\$10,581.17	\$11,004.42	\$11,389.57
	Max	\$13,765.20	\$14,178.15	\$14,745.28	\$15,261.36
Deputy Police Chief	Min	\$10,173.25	\$10,478.45	\$10,897.58	\$11,279.00
	Max	\$13,631.56	\$14,040.50	\$14,602.12	\$15,113.20
Development Director	Min	\$10,879.16	\$11,205.53	\$11,653.75	\$12,061.63
	Max	\$14,577.43	\$15,014.76	\$15,615.35	\$16,161.88
Economic Development Director	Min	\$9,788.48	\$10,082.14	\$10,485.42	\$10,852.41
	Max	\$13,115.81	\$13,509.29	\$14,049.66	\$14,541.40
Fire Chief	Min	\$11,460.59	\$11,804.41	\$12,276.59	\$12,706.27
	Max	\$15,357.02	\$15,817.73	\$16,450.44	\$17,026.20
Housing & Municipal Services Director	Min	\$9,788.48	\$10,082.14	\$10,485.42	\$10,852.41
	Max	\$13,115.81	\$13,509.29	\$14,049.66	\$14,541.40
IT Director	Min	\$9,788.48	\$10,082.14	\$10,485.42	\$10,852.41
	Max	\$13,115.81	\$13,509.29	\$14,049.66	\$14,541.40
Police Chief	Min	\$11,841.70	\$12,196.95	\$12,684.83	\$13,128.80
	Max	\$15,868.33	\$16,344.37	\$16,998.15	\$17,593.08
Utilities General Manager	Min	\$11,460.59	\$11,804.41	\$12,276.59	\$12,706.27
	Max	\$15,357.02	\$15,817.73	\$16,450.44	\$17,026.20

*Actual rates will be calculated by the City's payroll system to the 6th decimal place.