

RESOLUTION NO. 2025-003

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FONTANA,
CALIFORNIA, AMENDING THE COMPENSATION AND BENEFITS
PLAN FOR MANAGEMENT/CONFIDENTIAL EMPLOYEES.**

WHEREAS, certain unrepresented management and confidential employees of the City of Fontana have been included in what has been called the Management/Confidential Group for purposes of setting their terms and conditions of employment; and

WHEREAS, the City Council of the City of Fontana has historically set the terms and conditions of employment for the Management/Confidential Group in a Confirmation of Understanding (COU) after having informally consulted with employees in that group; and

WHEREAS, the City desires to replace the COU with this Resolution amending the terms and conditions of the employment for the Management/Confidential employees.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Fontana, California, as follows:

Section 1. Recitals. The above recitals are true, correct and incorporated herein by this reference.

Section 2. CEQA. This Resolution is not a project within the meaning of Section 1538 of the State of California Environmental Quality Act ("CEQA") Guidelines, because it has no potential for resulting in physical change in the environment, directly or indirectly. The City Council further finds, under Title 14 of the California Code of Regulations, Section 15061(b)(3), that this Resolution is nonetheless exempt for the requirements of CEQA in that the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Council, therefore, directs that a Notice of Exemption be filed with the County Clerk of the County of San Bernardino in accordance with CEQA Guidelines.

Section 3. Management/Confidential Compensation & Benefits Plan. The City Council of the City of Fontana hereby approves and adopts the amended Management/Confidential Compensation & Benefits Plan attached hereto as Exhibit A and incorporated herein by this reference.

Section 4. Severability. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the

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invalid provision or application, and to this end the provisions of this Resolution are severable. The City Council declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 5. Certification. The City Clerk shall certify to the adoption of this Resolution.

Section 6. Custodian of Records. The documents and materials that constitute the record of proceedings on which this Resolution is based are located at the City Clerk's office located at 8353 Sierra Avenue, Fontana, CA 92335. The custodian of records is the City Clerk.

Section 7. Effective Date: This Resolution shall become effective immediately upon adoption.

APPROVED AND ADOPTED this 28th day of January, 2025.

READ AND APPROVED AS TO LEGAL FORM:

Ruben Duran
City Attorney

I, Germaine Key, City Clerk of the City of Fontana, and Ex-Officio Clerk of the City Council, do hereby certify that the foregoing Resolution is the actual Resolution duly and regularly adopted by the City Council of said City at a regular meeting thereof, held on the 28th day of January 2025, by the following vote to wit:

AYES: Mayor Warren, Mayor Pro Tem Garcia, Council Members Cothran, Roberts and Sandoval

NOES: None

ABSENT: None

ABSTAIN: None

Germaine Key
City Clerk of the City of Fontana

Dequanetta Warren
Mayor of the City of Fontana

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ATTEST:

Germaine Key
City Clerk

THE COUNCIL OF THE CITY OF FONTANA RESOLVES:

1: PURPOSE

The purpose of this **Resolution 2025-003** is to restate and establish certain terms and conditions of employment for the City's Management/Confidential employees in the form of a written Resolution. Both the City and the Management/Confidential employees acknowledge that neither this Resolution nor the discussion surrounding it should constitute or imply that the City has recognized or certified these employees as an appropriate bargaining unit or the exclusive representative for the City's Management/Confidential employees. The City has chosen to allow the Management/Confidential employees to participate in Wage and Benefit discussions. The terms and conditions of this understanding shall be applicable to employees in those classifications set forth on the Management/Confidential salary table, commencing July 1, 2024 and ending June 30, 2027. The City commits that it will not modify this Resolution during the above term without first providing impacted employees with advance notice of such change and an opportunity to meeting to allow for full discussions regarding any potential changes.

2: CITY PERSONNEL RULES AND REGULATIONS

It is understood that there exists within the City, in written form, certain personnel rules, policies, practices and benefits, generally contained in the "City of Fontana Personnel Rules and Regulations and as amended by City resolutions. Those rules, policies and benefits will continue in effect, except for those provisions modified by this resolution, unless and until modified by written notification to the Management/Confidential employees from the City Manager or their designee, and enacted by the City Council, if necessary, in accordance with State laws, orders, regulations, official instructions or policies. In the case of changes, the City commits to discussing such changes with Management/Confidential employees as soon as possible.

3: WAGES

All employees as of December 10, 2024, shall receive a one-time payment of \$2,000.00 (paid no later than December 13, 2024). This one-time payment will not be reported to CalPERS as compensation earnable for the purpose of calculating retirement benefits and contributions.

Effective February 8, 2025, the salary and salary schedule for all Management/Confidential classifications and incumbents shall be adjusted to receive a 1.0%* base salary increase. *Note: On or about July 13, 2024, a 3.0% base salary increase was adjusted to all Management Confidential classifications and incumbents.

Effective July 12, 2025 (the beginning of the first full pay period following July 1st) the salary and salary schedule for all Management Confidential classifications and incumbents shall be adjusted to receive a 4.0% base salary increase.

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Effective July 11, 2026 (the beginning of the first full pay period following July 1st) the salary and salary schedule for all Management Confidential classifications and incumbents shall be adjusted to receive a 3.0% base salary increase.

In the event that changes to salaries in groups other than the Management/Confidential group create significant compaction issues (i.e. a supervisor making less than five percent (5%, Step 5 to Step 5) above a subordinate, the City will review and make necessary corrections to the specific Management/Confidential position(s)

4: PERSONAL LEAVE

Section A. Personal Leave Accrual

The personal leave accrual rate shall be as follows:

<u>YEARS OF SERVICE</u>	<u>HOURS ASSIGNED</u>	<u>PAY PERIOD ACCUMULATION</u>
0 - 2 Years	224 Hours	8.615
2 - 4 Years	240 Hours	9.230
4 - 6 Years	256 Hours	9.846
6 - 8 Years	264 Hours	10.154
8 - 10 Years	272 Hours	10.462
10 - 14 Years	280 Hours	10.769
14 - 18 Years	296 Hours	11.385
18 + Years	312 Hours	12.000

Section B. Leave Accrual Limits

Effective February 8, 2025 (beginning of the pay period following contract ratification), employees agree that the total number of personal leave hours which can be accrued in their leave bank at any given time is a maximum of two and one half (2.5) times the employee's annual personal leave accrual. The application of the maximum accrual limit will be made on a pay period by pay period basis. Once the maximum accrual limit is met, employees will cease to accrue personal leave time until the next pay period they have reduced their personal leave balance below their accrual limit.

The City Manager, at their discretion, reserves the right to pay out an employee's accrued personal leave time which is in excess of the two and one half (2.5) year ceiling and/or the 120-hour maximum, when such payment has been determined to be in the best interest of the City.

Section C. Pre-Election of Leave Cash Out

In accordance with 26 CFR 1.451-2, effective December 1, 2025, and continuing thereafter, employees must submit an irrevocable pre-election form, by no later than December 1st of the year in which the election is made, to convert the following hours to cash or a deferral into their deferred compensation account:

- Personal Leave - An amount which may not exceed the number of personal leave hours the employee may accrue in the following calendar year.
 - Compensatory Time – An amount which may not exceed the projected number of compensatory time hours the individual employee may receive in the following calendar year.
1. The maximum amount of leave time (personal leave, compensatory time or a combination of both) which can be cashed out under the City's "leave plans" is one hundred and twenty (120) hours per calendar year. For the 2025 calendar year (July 2025 and December 2025 cash outs), employees who have used at least eighty (80) hours of leave time within the previous twelve (12) months (i.e. July 2024 – July 2025 or December 2024 – December 2025) may cash out up to two hundred (200) hours. Beginning with the December 1, 2025 pre-election and continuing thereafter, employees who have used at least eighty (80) hours of leave time within the same calendar year as their pre-election (e.g., if a pre-election is made in December 2025, it applies to the 2025 calendar year) may cash out up to two hundred (200) hours per calendar year. Employees who have not met the eighty (80) hour leave usage threshold will be subject to the maximum cash out of up to one hundred and twenty (120) hours per calendar year.
 2. The requested cash out can be made at either or both dates below, but only with respect to leave time that has accrued before the cash out date, via direct deposit, not to exceed the maximum amount listed in this resolution per calendar year:

Payment Dates
• On or before July 31 st
• On or before the second Friday in December

3. The cash out shall be paid at the employee's base rate of pay that is in effect at the time of such cash out.
4. Employee's leave time (as mentioned above) may not be reduced to less than eighty (80) hours as a result of participation in the annual leave cash out.

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5. The cash out is subject to the pre-elected leave being available. If an employee uses more leave than anticipated to where it would affect the amount of leave cashed out, the amount of leave cashed out will be adjusted to reflect the leave used, provided that the employee maintains a minimum balance of 80 hours in their leave bank after the cash out.
6. The leave cash-out election is for hours to be accrued or received in the calendar year following submission of the irrevocable election form. In the event an employee has less hours in their personal leave and/or compensatory time bank at the time the cash-out is to be paid than they had previously elected to cash-out, the employee shall only be paid for up to the amount remaining in their personal leave and/or compensatory time bank at the time of the actual cash-out.
7. If an employee makes an irrevocable election to cash-out personal leave and/or compensatory time in the following calendar year and uses such leave in that subsequent calendar year, the personal leave and/or compensatory time used will come from the personal leave or compensatory time the employee had earned (if any) prior to January 1st of the calendar year in which the leave time the employee has elected to cash-out accrues. The employee's use of earned, but unused personal leave and/or compensatory time accumulated from previous calendar years shall not result in a reduction in the amount of vacation and/or compensatory time hours the employee is eligible to cash-out.
8. Participation in the pre-election of leave cash out is optional. Employees who do not submit an irrevocable election form by December 1st of each year will be considered as opting out of the optional "leave cash out" for the following calendar year.

Section D. Negative Leave Usage

All provisions regarding negative leave usage are eliminated (Employees may only use time accrued). The City Manager may, upon written request, approve exceptions to this provision under extraordinary circumstances where the employee provides a written deduction authorization allowing the City to withhold any monies owed from this negative leave usage from the employee's final paycheck.

5: BILINGUAL PAY

The City shall pay one hundred dollars (\$100.00) per pay period (to be paid in each of the 26 pay periods within a calendar year) for those employees who are assigned by the Department Head to assist with providing translation to and from a foreign language and other related services. Eligible employees will be required to pass a test which shall be administered by a qualified agency or individual.

6: CAFETERIA PLAN

Each month, the City will contribute to a cafeteria plan on behalf of each employee, an amount equal to the total of the premiums for coverage under the lowest cost HMO insurance family rate and the high option dental family rate. The City's contribution will not be more than the actual cost of the coverage mentioned above. The amount that employees may receive under the City's Cafeteria cash back option shall be a maximum of \$776.70 per month.

7: CERTIFICATE PAY

Employees currently receiving Certificate Bonus Pay shall continue to receive it so long as the employee remains in the same classification and the certificate continues to be relevant to the employee's job duties and responsibilities. Certificate Bonus Pay shall be eliminated for other Management/Confidential employees.

8: OVERTIME, ADMINISTRATIVE TIME AND COMPENSATORY TIME

Section A. Non-Exempt Employees.

1. Overtime

Overtime shall be calculated in accordance with the Fair Labor Standards Act (FLSA) for all time **actually** worked in excess of forty (40) hours in a work week. There shall be no "pyramiding" of overtime (e.g., if an employee receives a minimum two hours call back pay at the overtime rate, and those hours worked also result in their working in excess of forty (40) hours in a work week, double overtime will not be paid). Pre-approved/prescheduled leave, non-floating holiday time and jury duty will be considered actual time worked for all non-exempt members. Absence due to unscheduled leave shall **not** be regarded as time worked in calculating eligibility for overtime. **No overtime will be recognized except with the prior approval of the Department Head, except as required by law.**

For the purposes of overtime calculations for employees that work in the Fontana Police Department's Communication Center, the workweek will end at the midpoint of the employee's scheduled shift on either Wednesday or Thursday of each week, depending on the employee's designated schedule.

Non-Exempt Police Management/Confidential employees who are "ordered" to work overtime will have pre-approved/pre-scheduled vacation time, holiday time and jury duty be considered time worked for purposes of calculating overtime.

2. Compensatory Time Off

A non-exempt employee may not have accrued to their account at the end of any fiscal year more than eighty (80) compensatory time off hours. The cash value of any hours in excess of eighty (80) credited to the employee's account on June 30th of each year shall be paid at the salary rate in effect on June 30th, and will be paid out in conjunction with the City's Leave Payout program.

Section B. Exempt Employees

Exempt employees (as designated by the City) shall receive sixty (60) hours of administrative time off without loss of compensation in lieu of overtime or any other compensation. New employees will receive their Administrative Leave hours upon hire, and annually thereafter as outlined above. With the City Manager's or their designee(s) concurrence, the Department Head may grant additional administrative days off to an exempt employee who has been required to work an excessive number of hours. Such additional administrative time off shall not be granted for the performance of regular duties but is intended to compensate those employees who have gone above and beyond the normal call of duty (for example, special projects or filling in for an absent employee for a substantial amount of time). Administrative time off does not accumulate from year to year. Thus, any time not taken off prior to June 30th shall be forfeited. All administrative days off must be approved in writing by the Department Head or their designee, prior to their being taken. Administrative time off will be treated the same as personal leave for scheduling and approval purposes. Exempt employees shall be subject to salary reductions only as permitted by the Fair Labor Standards Act (FLSA) and its implementing regulations.

9: STAND-BY PAY

1. The Innovation & Technology Department must maintain the City's computer system, including the Police computer systems, on a 24-hour basis. The Public Works and Engineering Departments have a routine and regular requirement for employees to respond to emergency situations in the field on a 24-hour basis. This requires staff to be placed on standby in order to be able to respond and provide emergency support within two hours of receiving a call.
2. In order to meet the needs of the City the following classifications shall be eligible for Standby Pay:
 - a) Innovation & Technology: In order to meet the needs of the City (stated above), designated Innovation & Technology positions, at the discretion of the Department Director, shall be eligible for standby pay. No single individual will be put on standby on a permanent basis; each group will have at least two individuals who will rotate standby responsibilities on a weekly basis, as assigned. When on standby status, the standby employee must respond to the work site within two (2) hours, if the problem cannot be corrected via remote access.

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- b) Public Works Department: The Public Works Supervisor, Equipment Mechanic Supervisor, and the Parks & Landscape Supervisor shall rotate standby responsibilities on a weekly basis, as assigned. When on standby status, the standby employee must respond to the emergency within two (2) hours.
 - c) Engineering Department: Traffic Signal Maintenance Supervisor and Public Works Inspection Supervisor. When on standby status, the standby employee must respond to the emergency within two (2) hours.
 - d) The City may designate additional positions for standby as recommended by Department Director(s) and approved by the Director of Human Resources & Risk Management to meet the service needs of the City.
3. Employees assigned to standby shall be compensated \$200 per week; classifications that are exempt from FLSA overtime regulations shall not receive overtime compensation for any time worked as a result of being on standby and responding to a call.

Court Stand By and Court Appearance Compensation

- 4. Court Stand By: Non-Exempt Police Management/Confidential employees who are placed in a "Stand By" status restricting their freedom of movement in lieu of attending court in response to a direct order or lawful subpoena pertaining to matters arising during the course and cope of employment shall be compensated at the rate of one-half of the employee's straight time compensation (e.g., if an employee is earning \$20.00 an hour, and is placed in a "Stand By" status, such employee will be compensated at the rate of \$10.00 an hour).
- 5. Court Appearance: Non-Exempt Police Management/Confidential employees assigned to the Police Department who are required to attend court, outside of their scheduled work hours, pursuant to a lawful subpoena relating to events occurring during the course and scope of their employment, will receive overtime compensation, in either cash or compensatory time off at the employee's option for time spent in attendance, with a minimum compensation payment of two (2) hours.

10: COMPENSATION FOR ACTING APPOINTMENTS

Subject to the following conditions, an employee who is required on the basis of an acting appointment to serve in a class with a higher salary range than that of the class in which the employee is normally assigned, shall receive the entrance salary rate of the higher salary range or the rate of five percent (5%) higher than the employee normally receives, whichever is greater.

- a) Such pay will be for all hours worked in an acting appointment which are in excess of 80 hours in any six-month period.

- b) The employee must perform all the duties and assume all the responsibilities of the higher class.
- c) Compensation for acting appointments shall be limited to the temporary filling of a vacant regular position due to termination, promotion, or extended sick leave of the incumbent or the temporary filling of a newly budgeted positions, where the needs of the City require that the position be filled.
- d) The City Manager must approve all such appointments based upon a finding that the criteria set forth in this paragraph have been met.

11: WORK SCHEDULE

It is not the intent of the City at this time to modify the 9/80, 4/10, or 12 hour work schedules. Should there be a need to change work schedules at a future date, employees will be provided with at least 14 calendar days prior notice.

12: DISCIPLINE

Exempt employees shall be subject to suspensions in accordance with Fair Labor Standards Act (FLSA) regulations.

Police Management/Confidential employees upon mutual written agreement between the Chief of Police and the affected employee, may have an equivalent amount of unused accrued personal leave time deducted from their account in lieu of serving a suspension without pay for that period. Compensatory time off may not be deducted in lieu of serving a suspension.

13: HOLIDAYS

Section 1. Holidays Observed

The following days shall be observed by the City as paid holidays:

New Year's Day (January 1st)
Martin Luther King's Birthday (Third Monday of January)
President's Day (Third Monday of February)
Memorial Day (Last Monday of May)
Independence Day (July 4th)
Labor Day (First Monday of September)
Veteran's Day (November 11th)
Thanksgiving Day (Fourth Thursday of November)
Day after Thanksgiving (Fourth Friday of November)
Christmas Eve (December 24th)
Christmas Day (December 25th)

Observed holidays shall have the same hour equivalent as the employee's regular work schedule for that day (8, 9, 10 hours) in order that the affected employees no longer have to supplement observed holidays off with accrued leave time.

Section 2. Floating Holidays

In addition to the observed holidays listed above, employees shall receive four (4) floating holidays. The 2024 increase in floating holidays is provided in lieu of adding any additional observed holidays. (July 2024)

The employee's holiday leave account shall receive all floating holiday hours, as indicated above, during the first full pay period following July 1st of each year. New employees will receive their floating holiday hours upon hire, and annually thereafter as outlined above. Floating holiday hours shall have the same hour equivalent as the employee's regular work schedule at the time of deposit.

Implementation of Updated Benefit: For the 2024/2025 Fiscal Year, any floating holiday hours that have not already been received will be deposited during the February 8, 2025 – February 21, 2025 pay period. For example, if an employee is on a 4/10 work schedule, they shall receive the remaining one (1) Floating Holiday, or ten (10) hours of floating holiday hours, during the February 8, 2025 – February 21, 2025 pay period. Using the same methodology, any new employees hired between February 8, 2025 and June 30, 2025, who have not received a total of four (4) Floating Holidays in the 2024/2025 Fiscal Year, will receive the remaining one (1) Floating Holiday upon hire.

Floating holidays must be used within the fiscal year earned, and may not be carried over from year to year. Floating holiday time not used by June 30th of each year will be forfeited by the employee.

Section 3. Compensation for Working Holidays

Exempt employees may, at the Department Head's discretion, be granted an additional administrative/floating holiday day off if they are required to work a designated City paid holiday. If a Police Management/Confidential employee is assigned to work a City Holiday due to supervisory needs, the employee will receive the value of the holiday in Floating Time. The value of the holiday will be based on the employee's regular work schedule.

Employees whose positions are subject to regularly working holidays shall receive an additional amount of salary computed upon the employee's salary range and step at the time of payment, and will have the same hour equivalent as the employee's regular work schedule per month (10 hours per month for employees on a 4/10 or 3/12 work schedule or 9 hours per month for employees on a 9/80 work schedule, or 8 hours per month for employees on a 5/8 work schedule). Such employees shall be entitled to receive this additional amount of salary regardless of whether or not they actually were required to work the holiday.

Non-Exempt, Management/Confidential Police have required scheduled staffing without regard to holidays and are therefore regularly scheduled on holidays as a part of their normal full-time duties and schedule. Employees required to work holidays shall receive their regular pay for the actual hours worked on a holiday. In addition, when so directed or assigned, such employees shall also receive an equivalent amount of pay or compensatory time off, at the employees' election, in lieu of holiday compensation. The pay or compensatory time will be paid at 5.77 hours per pay period for a total of approximately one hundred fifty (150) hours holiday pay per annum (the equivalent of 15 City holidays, 11 of which are observed that are PERSable, and 4 are floating holidays that are non-PERSable, at the regular rate of pay for a ten (10) hour shift). The amount reported to CalPERS for use in pension calculations is 4.23 hours per pay period, for a total of approximately one hundred ten (110) hours holiday pay per annum (based on the 11 approved holidays to be compliance with Government Code Sections 20636 and 7522.34 and Sections 571 and 571.1 of the California Code of Regulations). Those employees electing Compensatory Time off in lieu of pay shall submit their written request to the Chief of Police. This written request must indicate approval of the Unit Supervisor/Manager and must be submitted prior to July 1st of each year. Upon approval, this election shall remain in effect until June 30th of the following year. The approval of such requests (compensatory time in lieu of pay) are at the complete discretion of the Police Department and may be denied based upon the needs of the department. Newly appointed employees will be provided an opportunity during their Departmental onboarding to elect time off in lieu of pay or compensatory time off for the purposes of this section. Thereafter, they will follow the normal provisions of this section as outlined above.

Section 4. Eligibility for Holiday Pay

In order to be eligible for an observed holiday, employees must be in a paid status both the day before and the day after the observed holiday. For example, if an observed holiday fell on a Monday, and the employee was on a 4/10 work schedule with Fridays off, the employee would be required to be in a paid status on the Thursday before the observed holiday and the Tuesday following the observed holiday.

This requirement is not applicable for any paid holidays which occur during the City's winter holiday closure described below. Rather, to be eligible for pay on those holidays, employees must be in a paid status both the day before and the day after the winter holiday closure.

Employees on leave without pay status, both on the day before and the day after the beginning of the pay period following July 1st of each year when floating holiday hours are deposited, shall be entitled to floating holiday hours during the first full pay period following their return to work. It is the employee's responsibility to ensure these hours are added to their timesheet upon their return to work.

Section 5. Winter Holiday Closure

The City shall be closed for business during the following winter holiday period (e.g. Christmas Eve through New Year's Day) as follows:

2024: December 23, 2024 through January 3, 2025

2025: December 24, 2025 through January 1, 2026

2026: December 24, 2026 through January 1, 2027

In conjunction with City paid holiday time, employees will be required to utilize their leave time (i.e. personal leave, compensatory time, floating holidays) to equal the remainder of their regular work schedule. Employees who have exhausted their leave time will be placed in a Leave Without Pay status. However, in the event all of an employee's leave time has been exhausted due to a catastrophic event, and leave without pay would result in an undue hardship, the City will review the situation on an individualized basis, and where possible, provide alternatives which may help mitigate the situation. Employees requesting such consideration must submit their request in writing to the Director of Human Resources & Risk Management prior to December 15th of each year.

14: LONGEVITY PAY

- A. Longevity pay shall be paid to all Management/Confidential employees who complete a minimum of ten (10) years of service based on the employee's anniversary date (date of initial hire into a regular full-time position) at the rates indicated in the subsequent sections:
- A bi-weekly basis, equal to the amount indicated in Section B or C (i.e., a prorated portion of the annual longevity payment will be provided with each paycheck) and will be included on the employee's next regular paycheck following eligibility, **OR**
 - A one-time per year payment, payable on or before the second Friday in December. Employees shall receive longevity pay via direct deposit by electing one form of payment below:

The employee may not change their payment option once they elect to receive it bi-weekly. For current employees (Management/Confidential employees prior to July 1, 2021) payment election must be submitted to the Human Resources & Risk Management Department on or before October 1st of each year to be effective the beginning of the pay period following January 1st of the following year. If an election is not made by the deadline indicated above, the employee will be subject to the bi-weekly payment indicated above. Any new Management/Confidential employees (on or after July 1, 2021) shall be subject to the bi-weekly payment.

Employee's longevity payments shall cease upon termination of employment.

- B. Management/Confidential employees who were hired prior to July 1, 1990, shall receive longevity pay in biweekly amounts. In an amount equal to the following

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applicable percentage of the employee's annual base salary upon the completion of the following length of service:

Such Longevity pay is based on years of service, commencing with ten (10) years, and is calculated as follows:

<u>Years of Service Completed</u>	<u>Longevity Payment</u>
10 years but less than 14 years	3.75% of base salary
14 years but less than 15 years	5.25% of base salary
15 years but less than 20 years	6.50% of base salary
20 years but less than 25 years	7.75% of base salary
25 years but less than 30 years	9.00% of base salary
30 years +	10.25% of base salary

- C. All employees hired on or after July 1, 1990 who are not eligible for longevity as described in Section B, shall receive longevity pay based on completion of the following applicable length of service in the following amounts:

10 years or more of continuous service: \$2,250.00
 15 years or more of continuous service: \$2,750.00
 20 years or more of continuous service: \$3,250.00
 25 years or more of continuous service: \$3,750.00

- D. These longevity payments shall be reported to CalPERS as compensation earnable for the purpose of calculating retirement benefits and contributions.

15: RETIREMENT BENEFITS

Section A. Participation

The City participates in the California Public Employees' Retirement System (CalPERS) and is subject to the payroll contribution reporting requirements therein.

Tier I

Employees hired prior to July 1, 2011 will have the 2.5% at 55 Plan Full Formula for Local Miscellaneous Members and upon retirement an employee's "final compensation" will be based on the highest one-year salary.

Employees in this group (pre-7-1-11) shall pay three (3%) percent of the Employees' portion of the CALPERS retirement system. The City shall pay the remaining employee contribution (5%); however, said payments shall not exceed the full employee portion of 8%. These payments are not salary increases but are the City's payment of employees' retirement contribution in accordance with Section 414(h)(2) of the Internal Revenue Code.

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For the purposes of any future comparisons of the level of compensation of employees covered by this Resolution with comparable employees in other jurisdictions, these payments shall be taken into account along with measuring base salaries.

Tier II

Employees hired on or after July 1, 2011 will have the 2.0% @ 55 PERS Plan for Local Miscellaneous Members and upon retirement an employee's "final compensation" will be based on the highest consecutive 36 month average for determining retirement benefits. Employees in this group (post 7-1-11) will pay the full employee portion of the CALPERS retirement system.

Tier III

Employees hired on or after January 1, 2013, as is mandated by the Public Employee's Pension Reform Act of 2013 (PEPRA), all new miscellaneous members, will have a retirement formula based on 2.0% @ 62 Plan Full Formula for Miscellaneous Members and upon retirement an employee's "final compensation" will be based on the highest consecutive 36 month average. An employee in Tier III will pay 50% of Normal Costs. The amount is approved by CalPERS each year and is subject to change.

Section B. 1959 Survivor's Benefit

The City provides the Level 4 of the Level 1959 Survivor's Benefit for all employees enrolled in the PERS. The cost to employees for this benefit will be \$2.00 per month.

Section C. PERS Military Buy-Back

The agreement between the City and CalPERS shall allow for the buy-back of time served by the employee in the Military.

Section D. Health Insurance for Retired Employees**Section 1 -- Pre July 1, 1990 Employees.**

Management/Confidential employees hired prior to July 1, 1990, who retire (i.e., begin to draw from their PERS accounts) and have a minimum of ten (10) years of City service shall be eligible for City paid retiree health benefits. The City's contributions towards retiree medical insurance shall not exceed the actual costs for the employee or employee and spouse (if applicable), based upon the City Kaiser rate. Employees who retire (i.e., begin to draw from their CalPERS accounts) after 20 years of City service shall be entitled to receive City paid retiree dental insurance for the employee or the employee and spouse.

Section 2 -- Post July 1, 1990 Employees.

Employees who are ineligible for City-paid retiree health and/or dental insurance may elect upon retirement to continue medical and/or dental coverage of their own expense through the City's medical and dental plans.

Section -3 – Medicare

The City will reimburse eligible retirees for the cost of standard “Part B” Medicare premium, which is \$134 per month in 2017, for those employees who elect such coverage. This amount is subject to change based on adjustments by the Federal government. The cost is automatically withdrawn from those employees’ Social Security checks. Retirees must supply the City with proof of Payment (including deductions from Social security checks) for this coverage, and will be reimbursed on a quarterly basis. No retroactive reimbursements will be given.

16: DEFERRED COMPENSATION

Effective June 1, 2023, the City shall match employee contributions into a deferred compensation account of up to \$400/month. The Employee’s contributions will be deposited into a 457(b) account, while the City’s matching contributions will be deposited into a 401(a) account. (Amount – July 2022)

17: PERFORMANCE EVALUATIONS

Performance Evaluations with an overall rating of less than competent are within the scope of the grievance procedure.

18: MERIT INCREASES

The City shall utilize a five-step salary range with each step at 5% intervals.

19: LAYOFFS**Section A. Full-time Temporary Employment Following Layoff**

Qualified employees who are subject to layoff (laid off employees) may fill positions where there is an employee out on a leave who is not receiving salary or health and welfare benefits from the City, on a temporary basis until the absent employee returns, or the position is filled on a non-temporary basis. The laid off employee may be removed from such a position upon written notice from the City and shall not have any grievance or appeal rights.

During such temporary service, employees shall receive the salary and health and welfare benefits of the classification in which they are serving. If the laid off employee is removed from the temporary position they shall be eligible for that portion of the severance package, if any, that would be remaining on the date of removal as if it had run from their date of appointment into the temporary position. Except as explicitly provided herein, the employee shall in all other aspects be a temporary employee.

Section B. Seniority and Benefits Upon Reinstatement After Layoff

Employees who are reinstated to the same or equivalent classification within two (2) years after layoff shall have their seniority date restored to that prior to layoff. Probationary employees who are laid off, shall upon reinstatement, be required to serve any remaining balance of their original probationary period. In addition, reinstated employees will be entitled to the restoration of personal leave accrual rates they were eligible to receive prior to layoff.

20: WELLNESS

The City shall allow all Management/Confidential employees use of the Miller and North Fontana Fitness Centers (ONLY) at no cost to the employee. Use of the centers is at each employee's own risk and subject to the rules and regulations and hours of operation determined by the Community Services Department. Employees MUST show City issued ID to obtain access. Violation of any safety rule or regulations shall constitute valid grounds for revocation of the privilege of the Fitness Center usage, not subject to grievance. (July 2017)

21: CALL BACK PAY

The City will pay a minimum of two (2) hours wages for each time a non-exempt employee is called back to work after their regular shift is completed and they have left their assigned work site.

22: SHIFT DIFFERENTIAL PAY

Management/Confidential employees assigned to the Police Department, whose position is regularly assigned to work shifts, are eligible to receive shift differential pay for hours actually worked as follows: (a) shift commencing at 1800 and concluding at 2300 shall receive 2.5% differential pay; and (b) shifts commencing at 2301 and concluding at 0600 shall be paid at 5% differential pay.

23: JURY DUTY

When a Police Department employee's scheduled shift is other than a day shift, the Department Head has the discretion, based on public and employee safety considerations, to reassign said employee to the day shift for the duration of the jury duty obligation. For purposes of this section, a day shift shall be defined as one beginning no earlier than 5:00 am and ending no later than 10:00 pm.

24: UNIFORM ALLOWANCE

Effective December 27, 2025 (the beginning of the pay period containing January 1st), a uniform allowance in the amount of \$38.47 per pay period (approximately \$1,000.00 per year based on 26 pay periods within a calendar year) will be paid to the following classification(s): Supervising Animal Services Officer. (Bi-weekly amount, July 2024)

The Uniform Allowance is intended for the purchase and maintenance of uniforms. The City/Police Department may request verification of annual uniform purchase or maintenance if abuse is reasonably suspected. All classifications receiving a uniform allowance must be in compliance with the City/Police Department's existing policies and procedures in regard to uniforms and safety requirements.

The City will compensate any eligible employee for the repair or replacement of clothing or equipment damaged or destroyed in direct consequence of the discharge of their duties in accordance with State Labor Code Section 2802. (July 2024)

25: EDUCATIONAL ACHIEVEMENT PAY

Beginning in September 2018, the City shall provide a one-time graduation stipend to non-probationary employees as follows for possessing the corresponding, job-related degree, from an accredited college or university:

Bachelor's Degree: \$2,000

OR

Master's Degree: \$3,000*

*or \$1,000 upon attainment of a Master's Degree when the employee has previously received the one-time graduation stipend for a Bachelor's Degree.

The City agrees that by September 30, 2018, the City will compensate all current employees that hold job-related degrees, as indicated by the provisions outlined above, a one-time graduation stipend. Moving forward, educational achievement pay will be paid annually by September 30th of each year for those non-probationary employees who obtain a degree, as outlined above, during the course of their employment with the City of Fontana. In order to be eligible to receive education pay in September, the degree must have been conferred to the employee by August 1st of the same year. The employee will submit the appropriate documentation to the Human Resources & Risk Management Department in August of each year. In addition, beginning September 2018, employees will no longer be eligible for the City's Educational Expense Reimbursement Program. (July 2017)

26: DIRECT DEPOSIT

All payments will be paid via direct deposit.

Ratified by City Council: January 28, 2025, Consent Calendar