

AGREEMENT FOR EMPLOYMENT OF INTERIM CITY MANAGER

THIS AGREEMENT (“**Agreement**”) is entered into on September 9, 2020 (“**Effective Date**”) by the City of Irvine, a municipal corporation organized and existing under the laws of the State of California (“**City**”), and Marianna Marysheva (“**Manager**”). City and Manager are sometimes individually referred to herein as a “**Party**” and sometimes collectively referred to herein as the “**Parties**.”

RECITALS

WHEREAS, City, acting by and through the City Council of the City of Irvine (“**City Council**”) has been advised that its current City Manager intends to retire as of September 9, 2020, and the City Council has determined to hire Manager on as Interim City Manager as of the Effective Date.

WHEREAS, Manager currently serves in the role as Assistant City Manager of City, pursuant to “Agreement for Employment of Assistant City Manager” dated as of July 27, 2018 and available on file with the City Clerk (“**ACM Agreement**”).

WHEREAS, this Agreement will ensure the retention of Manager’s services as City Manager and the performance of the duties of the office in a manner which serves the best interests of City, subject always to the direction of the City Council.

TERMS

NOW, THEREFORE, in consideration of the faithful performance of the terms and conditions set forth below, the Parties agree as follows:

1. **EFFECTIVE DATE; TERMINATION OF ACM AGREEMENT:** This Agreement shall become effective as of the Effective Date. Concurrent with the effectiveness of this Agreement, the ACM Agreement shall be terminated.

2. **EMPLOYMENT AS INTERIM CITY MANAGER; DUTIES.** City agrees to employ Manager as Interim City Manager of the City of Irvine, and Manager agrees to serve as Interim City Manager of the City of Irvine, performing the duties and responsibilities as set forth in Article V of the Charter of the City and Title, 1, Division 3 of the Irvine Municipal Code, and in accordance with applicable provisions of State law. Manager shall further perform such other legally permissible and proper duties and functions as the City Council may from time to time assign.

3. **TERM; WORK SCHEDULE.** Manager’s term as City Manager shall become effective on the Effective Date and shall remain in effect for the shorter of (i) a period of one (1) year (“**Term**”), unless otherwise terminated pursuant to the provisions stated herein. At the end of the Term, this Agreement may be extended upon mutual agreement of the Parties. During the Term, Manager shall be a full-time City Manager of the City of Irvine. Manager’s work schedule shall be during normal business hours Monday through Friday, 8:30 a.m. until 5:00 p.m. Manager’s situs of work shall be Irvine City Hall; provided, however, that Manager may attend

off-site meetings if and as necessary in the discharge of her duties under this Agreement. Manager shall, in addition to on-site work hours, be available by telephone from 7:00 a.m. until 8:00 p.m., Monday through Saturday.

4. **SALARY.** During the Term, Manager shall receive an annual salary of Two Hundred Ninety Thousand Fourteen Dollars and Forty Cents (\$290,014.40) per year (“**Salary**”). Except as may otherwise be provided, Manager’s salary, and other compensation provided for in this Agreement, shall be paid in increments in the same manner as for other City employees. Manager’s Salary shall be adjusted only as follows:

4.1 **MERIT INCREASES.** The City Council may from time to time grant merit increases to Manager’s compensation provided above, as follows: If after each evaluation of the Manager’s performance, the City Council concludes that Manager’s performance warrants an adjustment for merit, the City Council may grant a merit adjustment in an amount determined by the City Council, to be effective on a date determined by the City Council. Such merit adjustments may be granted on one or more occasions during a year and may be in the form of lump sum payments, adjustments to annual salary or any other form determined by the City Council.

4.2 **NO MANAGEMENT ADJUSTMENTS.** Manager shall not receive any salary adjustments of any kind as the City may from time to time confer upon the class of employees designated by the City as “Management.” For the avoidance of doubt, this restriction applies to benefit adjustments that were otherwise made available to Management employees from and after July 1, 2020.

5. **BENEFITS.** In addition to benefits that accrued to Manager during her tenure as Assistant City Manager prior to the Effective Date, Manager shall, from and after the Effective Date, be entitled to receive the benefits described in Subparagraphs 5.1 through 5.3 below.

5.1 **VACATION.** Manager shall accrue vacation benefits at a rate of one hundred twenty (120) hours per year. Upon termination of her employment with the City for whatever reason, Manager shall be paid for any unused accrued vacation, to the extent allowable under the current Management Employee Compensation Resolution and any successor resolutions, agreements, or the like (collectively, the “**Current Resolution**”).

5.2 **SICK LEAVE.** Manager shall accrue sick leave in accordance with the Current Resolution.

5.3 **OTHER BENEFITS.** Except as provided otherwise herein, Manager shall receive any and all other supplemental benefits including, but not limited to, personal sick leave, personal leave, bereavement leave, parenthood leave, administrative leave, holidays, pension/retirement (PERS) benefits and payments (including those relating to the retiree health plan), health insurance, dental insurance, vision insurance, life insurance, disability insurance, flexible spending account, telecommunications allowance, vehicle allowance or use of a city vehicle (but not both), and management incentive pay. Except as otherwise provided herein (in Subparagraphs 4.2, 5.1 and 5.2, above, and Subparagraph 8, below), all actions undertaken by City relating to benefits for management employees shall be considered actions affecting the same benefits applicable to Manager.

6. **PERFORMANCE EVALUATION BY CITY COUNCIL.** The Mayor and the City Council are responsible for setting performance goals in consultation with the City Manager. The City and Manager acknowledge that periodic performance evaluations are an important means by which the City Council and the City Manager may ensure effective communications regarding expectations and performance. Toward this end, the City Council may in its discretion conduct, and Manager may her discretion request, evaluations of Manager's performance at such times as the City Council deems appropriate.

7. **TERMINATION OF EMPLOYMENT.** Notwithstanding anything in this Agreement to the contrary, this Agreement may be terminated prior to the expiration of the Term as follows:

7.1 **VOLUNTARY RESIGNATION.** Manager may voluntarily resign by delivering a letter of resignation to the City Council not less than thirty (30) days prior to the effective date of resignation. Promptly after the effective date of resignation, the City shall pay to Manager all salary and benefits amounts both accrued and owing under this Agreement and other applicable laws, rules, programs, and policies of the City, State and Federal government.

7.2 **TERMINATION BY CITY COUNCIL.** Notwithstanding the Term provided in Paragraph 2 of this Agreement, the City Council may remove and terminate Manager in accordance with the following:

(a) If Manager is Not Selected as Permanent City Manager. If during the Term the City hires a permanent City Manager, and the permanent City Manager is not Manager, then concurrent with the effective date for the employment agreement with the permanent City Manager, this Agreement shall terminate. City intends that upon ceasing her duties as Interim City Manager, Manager shall return to a position of Assistant City Manager or equivalent with the City, although that decision is ultimately in the discretion of the City Council in coordination with the permanent City Manager. For the avoidance of doubt, the hiring of Manager as an Assistant City Manager or equivalent pursuant to this subparagraph shall not result in the demotion or termination of the person then serving as Assistant City Manager to the City; rather, City may take such steps as are necessary to create a second Assistant City Manager or equivalent position if the options created by this subparagraph are exercised by Manager. If City does not allow Manager to return to a position of Assistant City Manager or equivalent, or if Manager is terminated without cause from an Assistant City Manager or equivalent position, Manager shall receive a separation package substantially equivalent to separation packages entered into with Director and higher level at-will employees in the City since 2018.

(b) With Cause. At any time the City Council may remove and terminate Manager for cause, which for purposes of this Agreement shall be defined as follows: (1) any criminal act involving moral turpitude, fraud, malfeasance, or act of misfeasance, (2) loss of mental capacity for more than six consecutive months as determined by a court of competent jurisdiction; (3) habitual or willful neglect of duty; (4) misuse or willful destruction of City property; (5) habitual intoxication on duty, whether by alcohol or non-prescription drugs; (6) inexcusable absence without leave; (7) willful political activity involving the support of candidates for City Council or Charter amendments; (8) violation

of the Federal, State or City discrimination laws concerning race, religious creed, color, national origin, ancestry, physical handicap, marital status, sex or age concerning either members of the general public or City employee(s) while acting in the course and scope of employment, and while acting without the prior approval or direction of the City Council; (9) willful and/or unlawful retaliation against any other City officer or employee or member of the general public who in good faith reports, discloses, divulges, or otherwise brings to the attention of any appropriate authority any facts or information relative to actual or suspected violations of any law occurring on the job or directly related thereto; (10) willful violation of any conflict of interest or incompatibility of office laws; (11) performance of material outside business interests that conflict directly with the activities and duties as City Manager, but not including educational or professional training programs conducted by Manager whether for personal financial gain or not; (12) refusal to take or subscribe any oath or affirmation which is required by law; and (13) repeated failure to adhere to the work schedule and situs requirements set forth in Paragraph 3; each a “Cause.” In the event the termination is for Cause, the City shall provide Manager with a written statement describing the Cause and shall offer Manager a name-clearing hearing before the City Council at a reasonable time and upon reasonable notice, consistent with Irvine Municipal Code section 1-3-114 through 1-3-119.

(c) Without Cause. City and Manager hereby expressly agree that the employment relationship created by this Agreement is “at will” and that Manager serves at the will and pleasure of the City Council. Consistent with the foregoing, at any time during the Term of this Agreement, the City Council may remove and terminate Manager without Cause upon notice delivered in writing. However, in case of removal or termination without Cause, City intends that Manager shall return to a position of Assistant City Manager or equivalent with the City, although that decision is ultimately in the discretion of the City Council in coordination with the permanent City Manager. For the avoidance of doubt, the hiring of Manager as an Assistant City Manager or equivalent pursuant to this subparagraph shall not result in the demotion or termination of the person then serving as Assistant City Manager to the City; rather, City may take such steps as are necessary to create a second Assistant City Manager or equivalent position if the options created by this subparagraph are exercised by Manager. If City does not allow Manager to return to a position of Assistant City Manager or equivalent, or if Manager is terminated without cause from an Assistant City Manager or equivalent position, Manager shall receive a separation package substantially equivalent to separation packages entered into with Director and higher level at-will employees in the City since 2018.

8. **PROFESSIONAL DEVELOPMENT.** The City acknowledges its interest in the continuing professional development of Manager and agrees to allow and pay all expenses associated with attendance at annual conferences of the International City/County Management Association, League of California Cities, and California City Managers Association. Further, the City agrees to pay the membership dues for Manager in the International City/County Management Association, and membership dues for the City Manager’s Department of the League of California Cities. With the prior consent of the City Council, the City agrees to allow Manager to attend and participate in such other professional associations and conferences as may be mutually agreeable to both Parties. The City acknowledges the right of Manager to engage in other professional activities as long as they do not interfere or conflict with Manager’s duties as City Manager. Such professional activities may include teaching, writing, consulting and others.

9. **DISPUTE RESOLUTION.** All claims, disputes and other matters in controversy (each a “**Dispute**”) arising, directly or indirectly out of or related to this Agreement, or the breach thereof, whether contractual or noncontractual, and whether during the term or after the termination of this Agreement, shall be resolved exclusively according to the procedures set forth in this Paragraph 9.

(a) Neither Party shall commence an arbitration proceeding pursuant to the provisions of Subparagraph 9(b) unless such Party shall first give a written notice (a “**Dispute Notice**”) to the other Party setting forth the nature of the Dispute. The Parties shall attempt in good faith to resolve the dispute through a meet and confer process, which shall include a face-to-face meeting to be held within thirty (30) days following Delivery of the Dispute Notice. If the dispute has not been resolved within sixty (60) days after delivery of the Dispute Notice, then the dispute shall be determined by arbitration in accordance with the provisions of Subparagraph 9(b).

(b) Any dispute that is not settled as provided in Section 9(a) shall be resolved by arbitration before a single arbitrator appointed by JAMS Orange County. Subject to repayment through the prevailing party process described below, the City shall pay the fees charged by JAMS Orange County for the arbitration. The determination of the arbitrator shall be final and absolute. The arbitrator shall be governed by the duly promulgated rules and regulations of JAMS Orange County or its successor then in effect, and the pertinent provisions of the laws of California. The decision of the arbitrator may be entered as a final judgment in any court of competent jurisdiction. The prevailing party in any such arbitration shall also be entitled to recover reasonable attorneys’, paralegals’, and experts’ fees and costs of suit (including the amount of fees paid to JAMS Orange County for the arbitration) in addition to any other relief awarded such prevailing party.

10. **MISCELLANEOUS.**

10.1 **CONTRACT PROVISIONS CONTROLLING.** To the extent the provisions of this Agreement are inconsistent with the provisions of Irvine Municipal Code section 1-3-104 and/or 1-3-108, the provisions of this Agreement shall control.

10.2 **INDEMNIFICATION.** The City shall defend, hold harmless and indemnify Manager against any tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of any alleged act or omission occurring in the performance of Manager’s duties to the City. In its sole discretion, the City may compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered therefrom.

10.3 **OTHER RIGHTS OF PARTIES.** Unless expressly set forth in this Agreement, nothing in this Agreement shall abrogate any rights, responsibilities, benefits or privileges to which either Party would otherwise be entitled.

10.4 **AMENDMENT OF AGREEMENT.** This Agreement may be amended in writing by mutual agreement of the Parties.

10.5 **STATE LAW.** The rights and obligations of the Parties to this Agreement shall be governed by the laws of the State of California.

10.6 **RECITALS.** The recitals set forth above are incorporated by reference into this Agreement.

10.7 **FAILURE TO ACT OR DELAY OF ACTION.** No failure to exercise and no delay in exercising any right, remedy or power set forth in this Agreement shall operate as a waiver to the exercise of that right, remedy or power in the future.

10.8 **ENTIRE AGREEMENT.** This Agreement contains the entire agreement between the Parties. No promise, representation, warranty, or covenant not included in this Agreement has been or is relied upon by either Party to this Agreement.

10.9 **SEVERABILITY.** Should any paragraph, subparagraph, sentence, clause, phrase or word included in this Agreement be found invalid by a court of competent jurisdiction, the balance of this Agreement shall remain in full force and effect.

10.10 **NOTICES.** Notices pursuant to this Agreement shall be in writing and shall be personally served, given by mail or by overnight delivery. Any notice given by mail shall be deemed given when deposited in the United States Mail, certified and postage prepaid, addressed to the respective Parties at One Civic Center Plaza, Irvine, CA 92623-9575, or such other address as may be given, in writing, to the other Party.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year written at the beginning of this Agreement.

CITY:
City of Irvine

MANAGER:

By: _____
Mayor

By: _____
Marianna Marysheva

ATTEST:

City Clerk

APPROVED AS TO FORM:

Jeffrey T. Melching

City Attorney

CITY COUNCIL RESOLUTION NO. 19-46

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, ESTABLISHING A CLASSIFICATION AND COMPENSATION POLICY FOR MANAGEMENT AND NON-REPRESENTED EMPLOYEES (EXEMPT) OF THE CITY OF IRVINE, AND SUPERSEDING RESOLUTION NO. 19-05 EFFECTIVE THE PAY PERIOD THAT INCLUDES JULY 1, 2019

WHEREAS, revisions have been made to the Classification and Compensation Policy; and

NOW, THEREFORE, the City Council of the City of Irvine DOES HEREBY RESOLVE as follows:

SECTION 1. ANNUAL COMPENSATION FOR MANAGEMENT AND NON-REPRESENTED EMPLOYEES

The pay grades for Management and Non-Represented Employees of the City of Irvine shall be set forth as shown in the applicable salary resolution adopted by the City Council.

SECTION 2. OTHER COMPENSATION COMPONENTS

Eligible exempt Management and Non-Represented employees shall receive additional compensation benefits as follows:

1. Pension:

A. The provisions of this Section 2.1 shall apply to all employees, as of June 30, 2003, who elected to decline the CalPERS benefits.

1. The City shall invest an amount equal to 12.448% of each employee's base salary in the City of Irvine Defined Contribution Pension Plan (DCPP) for employees who are actively employed in the unit on or after this Resolution is approved by the City Council. Employees shall become fifty percent (50%) vested in such plan upon completion of the initial six months of employment. Thereafter, such vested interest shall increase at the rate of 5% for every Plan Year in which the employee completes 1000 hours of service. Once the employee has completed five (5) years of service, he/she shall become 100% vested in the retirement plan.
2. The City will deduct an amount equal to 6.552% of each employee's base salary to invest in the City of Irvine DCPP. It is understood that this payroll

deduction shall be mandatory for all employees who elect to remain in the City of Irvine DCPD.

3. All employees who elected to remain in the City of Irvine DCPD shall not be entitled to any CalPERS benefits, past, present or future, as provided under Section 2.1.B of this Resolution. If employees elected to remain in the City of Irvine DCPD, such participation shall continue until the employee terminates their employment from the City for any reason.
 4. The City will utilize retirement plan forfeitures to offset the cost of City of Irvine DCPD account management and administrative fees.
- B. The provisions of this section B.1 shall apply to employees, as of June 30, 2003, who elected to waive their rights to the City of Irvine Defined Contribution Pension Plan (DCPD) and who elected to transfer to the CalPERS program.
1. The City's contract with CalPERS shall include the following options:
 - a. 2.7% @ 55 Full Formula for Local Miscellaneous Members (Cal. Govt. Code Section 21354.5)
 - b. One Year Final Compensation (Cal. Govt. Code Section 20042)
 - c. Military Service Credit as Public Service (Govt. Code Section 21024), in which the employee pays the entire cost
 - d. Improved Non-Industrial Disability Allowance (Cal. Govt. Code Section 21427)
 - e. 4th Level 1959 Survivor Benefits (Govt. Code Section 21574)
 - f. Limit Prior Service to Members Employed on Contract Date (Govt. Code Section 20938)
 2. All eligible employees hired on or after July 5, 2003, the effective date of the CalPERS contract, shall become members of the CalPERS Retirement Program.
 3. All active eligible employees shall be members of CalPERS, unless they elected to decline the CalPERS benefits through the irrevocable election process. All employees covered by CalPERS shall no longer be entitled to any benefits past, present or future, provided under the City of Irvine DCPD referenced in Section 2.1.A above.

4. Once a member of the CalPERS plan, such participation shall continue until the employee terminates employment with the City for any reason.
 5. The CalPERS vesting schedule will apply (Cal. Govt. Code Section 21060).
 6. Employer-Paid Member Contributions and New CalPERS Miscellaneous Tiers
 - a. The full eight percent (8%) cost of the CalPERS member contributions will be paid by the employee.
 - b. Effective April 14, 2012, the City implemented the 2% @ 55 retirement program with the average of the three highest paid consecutive years for all miscellaneous employees hired on or after that date. Employees in the 2% @ 55 plan will pay the full 7% Member Contribution for the entire term of their employment.
 - c. All “new members” within the meaning of the California Public Employees Pension Reform Act of 2013 hired by the City on or after January 1, 2013, will be placed in the City’s Tier 3 plan; 2% at 62 formula for Miscellaneous employees. Employees will pay the full employee contribution, which will be one-half the normal rate as determined by CalPERS and there shall be no employer payment of any of the required employee contribution.
- C. The Sworn employees listed in Attachment I shall become a member of the CalPERS retirement plan for local safety employees, pursuant to the contract between the City and CalPERS.
1. Once a member of the CalPERS plan, such participation shall continue until the employee terminates employment with the City for any reason.
 2. The CalPERS vesting schedule will apply (Cal. Govt. Code Section 21060).

For employees who are members of the City’s 3% at 50 CalPERS, the full nine percent (9%) member contribution will be paid by the member, through pre-tax payroll deduction.

3. All “new members” within the meaning of the California Public Employees Pension Reform Act of 2013 hired by the City on or after January 1, 2013, will be placed in the City’s Tier 3 plan; 2.7% at 57 for Sworn employees. Employees will pay the full employee contribution, which will be one-half

the normal rate as determined by CalPERS and there shall be no employer payment of any of the required employee contribution.

4. Employer paid member contributions shall be considered deferred income for federal and state income tax purposes. Should any state or federal agency alter the current income tax treatment of such payments, the consequences of such action shall be the sole responsibility of the affected employees, and shall in no way alter any obligation of the City toward such employees.

2. Retiree Health Plan:

- A. The City shall contribute an amount equal to two percent (2%) of each employee's base salary in a Retiree Health Savings (RHS) account, which shall be administered by the employees covered by this Resolution.
- B. An employee who has retired from the City and has either attained the age of sixty (60) years or is fifty (50) years old and has completed five (5) years of service with the City shall be entitled to purchase the medical insurance plan in effect at the time of retirement at the City's rates for the employee and the employee's dependents at the cost to the former employee, now retiree.
- C. The City will allow a spouse of an eligible retired unit member to continue to purchase the medical insurance after the death of the retired employee, provided that the spouse was covered under a City insurance plan at the time of employee's death and provided that there has been no break in coverage since the employee's retirement. This eligibility for continued coverage ceases if such spouse remarries.
- D. Each representation unit has determined the type of retiree health program in which its members shall participate. In order to ensure that the employees can maximize their benefits, the City agrees to allow employees to remain in the designated type of retiree health program throughout their service with the City, whether or not the employee moves to another representation unit(s). In the event an employee moves to another representation unit, the City will contribute an amount up to the contribution established for the new unit's retiree health plan and the employee will not be eligible to participate in any other non-voluntary health plan offered to City employees. If the City's contribution toward a retiree health plan in the new unit is less than what is required for the employee's designated retiree health plan, the difference will be deducted from the employee's pay.

3. Deferred Compensation:

- A. Effective the pay period including July 1, 2019, the City shall contribute an amount equal to two percent (2%) of each employee's base salary in a deferred compensation account, which shall be administered by the employees covered by this Resolution.
- B. Effective the pay period including July 1, 2020, the City shall increase the contribution in 3A by two percent (2%) for a total contribution of four percent (4%).

4. Health Insurance Benefits:

A. Indemnity Medical Insurance

The City shall provide the option to employees to enroll in a medical indemnity insurance plan.

B. Indemnity Dental Insurance

The City shall provide the option to employees to enroll in a dental indemnity insurance plan.

C. Health Maintenance Organizations

The City shall provide the option to employees to enroll in a health maintenance organization and/or a dental maintenance organization.

D. Vision Care Plan

The City shall provide a vision care plan.

- E. For employees who choose the PPO medical plan, the total cost to the City for medical, dental, psychological and vision insurance shall not exceed \$694.04 per month, per employee, \$754.04 per month, per employee plus one (1) dependent or \$1,064.31 per month per employee plus family. The medical tier that the employee selects will drive the insurance cap that is applied to the employee's health benefit selections.

- F. Employees have the option of enrolling themselves and/or their dependents into a no-cost medical plan rather than being subject to the cap as set forth in item F., above. Under the no-cost plan, the City will provide any HMO Medical Plan and any HMO Dental Plan offered by the City, as described in item F. above. Under this option, employees may choose to upgrade from the HMO Dental Plan to the PPO Dental Plan, however the employee will

be required to pay the difference in premium between the HMO Dental Plan and the PPO Dental Plan.

Effective January 1, 2015, any increase in the cost of the HMO Medical Plans over the costs in effect December 31, 2014, will be borne as follows: The City will pay 95% of the increased cost, and employees enrolled in HMO Medical Plans will pay the remaining 5% of cost increases in annual premiums. Each year thereafter, the amount paid by employees in prior years will be added to that portion of the increase (five percent 5%) the employees will pay in the current year.

5. Disability Insurance:

The City shall provide a long-term disability insurance plan for employees.

6. Life Insurance:

Employees covered by this Resolution shall be provided a life insurance policy in the amount equal to a full year's base salary rounded up to the next \$1,000.

7. Flexible Spending Account:

Employees may use pre-tax dollars to pay for eligible medical and dependent care expenses per Internal Revenue Code Sections 125 and 129. The City will use what legal means exist to recover cost for claims paid in advance of sufficient employee payroll deduction being made upon the employee's separation from the City.

8. Expense Allowances:

A. Vehicle/Vehicle Allowance

Management employees listed in Sections A and B of Attachment I shall be provided a vehicle at City expense or a monthly vehicle allowance. Those classifications listed in Section C of Attachment I shall be provided a monthly vehicle allowance. The City Manager may approve use of a City vehicle or mileage reimbursement for those miles traveled in the employee's vehicle, which exceed the miles covered by the vehicle allowance based on the current mileage rate

Classifications in Section A and B	\$550
Classifications in Section C	\$300

B. Telecommunications Allowance

Employees listed in Sections A, B and C of Attachment I shall be provided a \$100.00 monthly allowance for cellular service. In addition, a reimbursement of up to \$1000 for cellular equipment will be provided upon receipt of invoice initially (following appointment to an affected classification) and once every two years thereafter, if necessary to replace existing equipment. All contracts for cellular service for these employees shall be between the provider and the individual.

9. Vacation:

Management and Non-Represented employees shall accrue vacation credits on a monthly basis as follows:

<u>Years of Service</u>	<u>Annual Vacation Credits</u>
1 through 3	120 hours
After 3 through 10	160 hours
After 10 years or more	200 hours

As an incentive for filling critical management and non-represented positions, as part of an offer of employment, the City Manager may grant a vacation balance of one week upon appointment.

Employees may not accrue more than three (3) times their annual accrual rate of vacation. When an employee earns vacation in excess of the maximum accrual, the employee shall be paid for vacation during the pay period earned and at the employee's base rate of pay.

The dates an employee may take her/his vacation shall be determined by the Department Director or the City Manager with due regard for the wishes of the employee and particular regard for the needs of the City. Other policies related to the accrual and use of vacation shall be as provided in the Personnel Rules and Procedures.

10. Vacation Buyback:

On or before the pay period which includes December 15 of each calendar year, an employee may make an irrevocable election to cash out up to eighty (80) hours of accrued vacation (in whole hour increments) which will be earned in the following calendar year at the employee's base rate of pay. The employee will receive cash for the amount of vacation the employee irrevocably elected to cash out in the prior year. Payment will be made by Thanksgiving. However, if the employee's vacation leave balance is less than the amount the employee elected to cash out (in the prior calendar year) the employee will

receive cash for the amount of leave the employee has accrued at the time of the cash out.

11. Personal Sick Leave:

Employees shall accrue personal sick leave credits at the rate of eight (8) hours per month.

Unless unforeseen and extenuating circumstances arise, in order to receive compensation while absent on sick leave, the employee shall notify her/his immediate supervisor or the Personnel Officer prior to or within one (1) hour after the time set for beginning her/his daily duties, or as may be specified by the head of her/his department. When absence is for one workday or more, the employee may be required to file a physician's certificate with the Personnel Officer, stating the cause of absence.

An employee receiving temporary disability payments under the Workers' Compensation laws may use a pro-rated amount of accumulated sick leave in order to continue to maintain her/his regular income. Under such circumstances, the employee shall submit any benefit payments from the Workers' Compensation fund to the Finance Officer.

An employee may be required to provide a doctor's release to return to work following an illness or injury resulting in an inability to perform assigned duties.

12. Personal Sick Leave Conversion:

Employees having less than ten (10) years of consecutive full-time service shall be eligible, if they so desire, each quarter (January 1, April 1, July 1, October 1) to convert unused personal sick leave in excess of 168 hours at a ratio of eight (8) hours of vacation for every twenty-four (24) hours of personal sick leave. Employees with at least ten (10) years of full-time consecutive service shall be eligible to convert sick leave in excess of 168 hours at the ratio of eight (8) vacation hours for sixteen (16) sick leave hours. One hundred sixty-eight (168) hours must be accrued and retained prior to converting any excess personal sick leave hours to vacation hours.

Effective the pay period following April 1 of each year, regular full-time employees, whose unused personal sick leave has accumulated to more than 700 hours, must convert those hours in excess of 700 into their respective individual accounts in the Management Retiree Health Savings Plan, subject to a maximum conversion of 120 hours of sick leave per employee per year. The conversion of personal sick leave into the Retiree Health Savings Plan shall occur as follows:

- A. The City will convert unused sick leave into the Retiree Health Savings Plan for regular full-time employees having less than ten (10) years of consecutive full-time service at a ratio of three (3) hours of sick leave to one (1) hour of pay at the employee's current base salary rate.
- B. The City will convert unused personal sick leave into the Retiree Health Savings Plan for regular full-time employees with at least ten (10) years of consecutive full-time service at a ratio of two (2) hours of sick leave to one (1) hour of pay at the employee's current base salary rate.

Upon separation regular full-time employees must convert all remaining sick leave hours into their respective individual accounts in the Retiree Health Savings Plan as follows:

- 1. The City will convert unused personal sick leave into the Retiree Health Savings Plan for regular full-time employees having less than ten (10) years of consecutive full-time service at a ratio of two (2) hours of sick leave to one (1) hour of pay at the employee's current base salary rate.
- 2. The City will convert unused personal sick leave into the Retiree Health Savings Plan for regular full-time employees with at least ten (10) years of consecutive full-time service at a ratio of two (2) hours of sick leave to one and one-half (1.5) hours of pay at the employee's current base salary rate.

Employees who separate due to termination for cause or resignation/retirement in lieu of termination for cause shall not be eligible to convert their sick leave into the Retiree Health Savings Plan.

13. Personal Leave:

Effective the pay period which includes January 1st of each year, employees shall receive a Personal Leave Benefit of seventy-one (71) hours per year. Such leave shall be available for employees to use from the beginning of the first pay period beginning in the calendar year through the end of the last pay period beginning in the calendar year. Such hours shall not accrue from year to year. This leave has no cash value and cannot be cashed out. If, at the end of the calendar year, the employee has any of this leave on the books, with the pay period including January 1, he/she will be provided with whatever amount of leave is necessary to bring his/her bank up to 71 hours. Probationary employees who commence employment with the City after January 1 will receive twenty four (24) less Personal Leave hours for every four (4) months the employee is not on paid status with the City.

The employee shall notify his/her immediate supervisor of the use of a Personal Leave day at least 36 hours in advance unless circumstances beyond the employee's control prevent such notification.

14. Bereavement Leave:

Employees shall receive up to forty (40) hours for any one instance for absence necessitated by the death of immediate family members. Such credit shall not be accrued from year to year. The immediate family shall be defined as mean father, father-in-law, mother, mother-in-law, step-parent, brother, step-brother, sister, step-sister, wife, husband, registered domestic partner, child, step-child, grandparent, grandparents in-law, grandchild, legal guardian or other individuals whose relationship to the employee is that of a dependent, a domestic partner as defined by California Family Code section 297, or a person who stood *in loco parentis* (in place of a parent) to the employee.

15. Parenthood Leave:

An employee may be granted a temporary parenthood leave of absence without pay, not to exceed 180 calendar days per year, upon approval from the City Manager. The employee requesting such leave shall present evidence of the birth or adoption of a child by the employee or spouse to his/her Department Director. The City will comply with all elements of parenthood leave under the Family Medical Leave Act and the California Family Rights Act. . Any such leave will run concurrently with parenthood leave as provided for under the FMLA and CFRA.

16. Administrative Leave:

Effective the pay period including July 1, 2019, employees will receive twenty (20) hours of additional Administrative Leave.

Effective the first pay period beginning in January of each year, employees in classifications listed in Section A, B, C or D of Attachment I will receive sixty (60) hours of Administrative Leave per calendar year. Administrative Leave will be prorated on a monthly basis for management and non-represented employees appointed during the calendar year. Additional Administrative Leave may be approved by the Department Director or City Manager. Administrative Leave must be used by the end of the calendar year. Such hours shall not accrue from year to year or be paid off upon termination. This leave has no cash value and cannot be cashed out. If, at the end of the calendar year, the employee has any of this leave on the books, with the pay period including January 1, he/she will be provided with whatever amount of leave is necessary to bring his/her bank up to 60 hours.

17. Education/Reimbursement/Professional Development/Professional Advancement:

Employees covered by this Agreement shall be eligible for reimbursement of pre-approved education or professional development expenses up to a maximum of \$1,300 per calendar year. Permitted use of funds, subject to approval of the Department Director, Assistant City Manager or City Manager, includes:

- Tuition, books, laboratory and parking fees.
- Certification maintenance and course fees.
- Professional association memberships, seminars, conferences, including material fees, and travel costs. Travel, hotel and meal expenses for conferences, seminars, and/or job-related training are allowed subject to all guidelines established by City travel policies and procedures.
- Technology purchases including smartwatches, tablets and laptops (cellular phones excluded).
- Purchase of business attire, suits and/or uniforms.
- Up to \$500 of the employee's annual allotment may be used towards gym membership fees, exercise classes, and unreimbursed expenses associated with longevity screenings and/or an annual physical.
- Reimbursement of work-related equipment purchases and expenses. The list of approved equipment/expenses will be maintained by the Department Director or City Manager.

The sworn employees listed in Attachment I shall be eligible for a twelve percent (12.35%) Professional Advancement benefit upon attaining a California P.O.S.T. Executive Development Certificate or completion of a FBI National Academy program or completion of a Master's Degree or comparable extended professional management training program.

18. Holidays:

The recognized holidays to be observed by the City in each calendar year shall be as follows:

New Year's Day
Martin Luther King Jr. Day
Washington's Birthday
Memorial Day
Independence Day (4th of July)
Labor Day
Veterans Day
Thanksgiving Day
Day after Thanksgiving
Christmas Eve
Christmas Day

Prior to the beginning of the calendar year, Human Resources will designate and announce the dates on which the above referenced holidays shall be observed. Human Resources may designate alternate dates the City will observe holidays in order to occur in conjunction with the Holiday Leave benefit provided below.

Full-time employees shall receive nine (9) hours pay for each holiday observed on a Monday, Tuesday, Wednesday, or Thursday. Employees shall receive eight (8) hours pay for each holiday observed on a regularly scheduled working Friday. Regular full-time employees working an eight-hour (8), five-day (5) schedule will receive eight (8) hours for each of these holidays.

Holiday Leave

Effective in December 2017 and each year thereafter, employees in the unit will not be required to come to work and will be provided with three days of paid leave to be used in the pay period that includes the Christmas Eve, Christmas Day and New Year's Holidays. The dates of the three "Holiday Leave" days will be designated annually by Human Resources. Employees will be provided with three days of paid leave based on the number of hours they are regularly scheduled to work on designated "Holiday Leave" days. Employees must use this leave on the designated days unless directed to work by the Department Director or designee. In cases where the employee is directed to work on such days, the employee will be credited with leave in an amount equivalent to what they would have used had they not been directed to work. In cases where a designated "Holiday Leave" day falls on an employee's regularly scheduled day off, the employee will be credited with leave in an amount equivalent to what they would have used had it been a regularly scheduled work day. Such leave shall have no cash value, and will expire if not utilized within the pay period that includes November 30 of the following year.

Employees wanting to take additional days off in conjunction with the observed Holidays and designated Holiday Leave Days must utilize other accrued leave in accordance with existing rules.

For 2019, the following shall be observed:

Monday 12/23 – Holiday Leave

Tuesday 12/24- Christmas Eve

Wednesday 12/25- Christmas Day

Thursday 12/26- Holiday Leave

Friday 12/27- Holiday Leave

For 2020, the following shall be observed:

Monday 12/21-Holiday Leave
Tuesday 12/22-Holiday Leave
Wednesday 12/23- Holiday Leave
Thursday 12/24- Christmas Eve
Friday 12/25- Christmas Day

For 2021, the following shall be observed:

Monday 12/20 – Holiday Leave
Tuesday 12/21- Holiday Leave
Wednesday 12/22- Holiday Leave
Thursday 12/23 - Christmas Eve
Friday 12/24- Christmas Day

For 2022, the following shall be observed:

Monday 12/19-Holiday Leave
Tuesday 12/20-Holiday Leave
Wednesday 12/21- Holiday Leave
Thursday 12/22- Christmas Eve
Friday 12/23- Christmas Day

19. Jury Duty and Subpoenas:

Every employee of the City who is subpoenaed as a witness for a local, state or federal government shall be entitled to absent herself/himself from her/his duties with the City during the period of such service or while necessarily being present in court as a result of such call or subpoena, and shall receive full compensation.

In order to balance the City of Irvine's interest in maintaining productivity with the interest that employees are able to support our system of justice by serving on juries, paid Jury Duty is limited to a maximum of 80 hours in a calendar year. If an employee, despite reporting the limit to the Court, is required to serve beyond 80 hours he or she can request an exception of the limit on paid Jury Duty Leave by the City Manager

If an employee is required to be absent from work to report for jury duty, the employee will notify his/her supervisor of the absence as soon as possible, including, a phone message the night before if the employee finds out via a phone recording that he/she must report the next day.

An employee on jury duty must either return to work after the jury service is done for the day if there are still four hours left on his/her shift or call in to his/her supervisor and ask to use leave to cover the rest of his/her shift.

For any additional time taken off before or after jury duty, an employee will be required to utilize paid accrued time subject to supervisor approval.

An employee who is called to jury duty on a non-working day will not receive compensation or be authorized to change their schedule as a result of being called to jury duty.

20. Military Leave:

Employees shall be entitled to such benefits as are provided by law. An employee requesting such military leave shall present a copy of her/his military orders to her/his Department Director or the City Manager prior to the beginning of the leave.

21. Physical Examination:

The City shall reimburse employees in classifications listed in Sections A, B or C of Attachment I up to a maximum of \$350 per calendar year for expenses incurred as a result of an annual physical examination as defined in Article 24 of the City's Personnel Rules and Procedures. The City shall reimburse employees in classifications listed in Section D of Attachment I up to a maximum of \$250 per calendar year for expenses incurred as a result of an annual physical examination as defined in Article 24 of the City's Personnel Rules and Procedures. An annual physical is optional. Expenses eligible for payment by the City health insurance plan shall not be eligible for reimbursement.

22. Industrial Accident Salary Continuance:

In the event that it is determined that a full-time employee is absent from work as a result of any injury or disease arising solely out of the employment with the City and in no way related to any prior existing condition, the City shall provide up to six (6) months of Industrial Accident Salary Continuance during any two-year period under the following conditions:

- A. In the event the employee qualifies for compensation under State law, the employee shall receive the difference between the Workers' Compensation payments and his/her regular salary;
- B. The employee shall accrue sick leave or vacation leave during the term of the Industrial Accident Salary Continuance taken;
- C. The employee's condition is not permanent and stationary as determined by the City's appointed physician.

For sworn CalPERS members, the City shall follow the provisions of Section 4850 of the California Labor Code when that member is disabled by injury or illness arising out of and in the course of his/her duties.

In the event of an on-the-job injury or accident resulting in loss of time beyond that required for immediate medical attention, such employee may be required to be examined by a licensed physician appointed by the City of Irvine.

Any on-the-job injury or accident must be reported to the employee's immediate supervisor within twenty-four (24) hours after said injury or accident. Failure to report said injury or said accident shall be grounds for disciplinary action.

23. Accrual of Leaves:

All paid leave hours accrued shall be prorated based on the number of hours worked or paid up to eighty (80) hours in a pay period.

24. Select Benefits Program:

The City will provide a cafeteria-style benefit program for Management and Non-Represented employees to include the following general elements:

- A. Enhanced choices among City-offered health benefit plans.
- B. Employees not claiming dependents on their health plan shall receive \$150 per month. The stipend may be taken as taxable cash.

25. Management Incentive Pay:

Management employees in the classifications listed in Sections A, B, and C of Attachment I, shall be eligible to receive 3% Management Incentive Pay above the base salary, in recognition for the unique nature of their work.

26. Bilingual Pay Program:

Department Directors shall annually designate which positions will be assigned bilingual duties and which languages shall be eligible for bilingual pay. Qualified employees who meet the following criteria shall receive an additional \$50.00 per month, paid biweekly.

- A. An employee must be assigned to speak or translate a language in addition to English as part of their position responsibilities. This includes such specialized communication skills as sign language.
- B. To become qualified, employees must be certified as qualified by the Personnel Officer or designee.
- C. For positions requiring extensive contact with the public or contractors, bilingual pay will be rotated among employees who are deemed as qualified by the City. The Department Director will have the discretion to determine the number of employees and the sections/units that qualify to participate in a "rotation pool." Rotations will occur every 12 months, effective the first pay period each November. It is the Department Director's sole discretion to determine the order of rotation among the qualified employees. An employee who has not performed bilingual duties within the rotation for a period of 24 months or longer must be re-certified by the City in order to receive bilingual pay.

An employee in a bilingual assignment may request to have the bilingual assignment and corresponding pay removed.

SECTION 3. PAY PROGRESSION IN A PAY GRADE

1. Base Pay Progression:

Pay progression within a Salary Grade will be based strictly upon individual performance and summarized in an annual performance appraisal. For employees listed in Sections B, C, and D of Attachment I, all base pay progression within pay grades will be limited to the Market Point of a pay grade according to the following schedule:

<u>Salary</u>	<u>Placement in Pay</u>	<u>Performance Level</u>	<u>Pay Increase</u>
<u>Grade</u>			

Less than Maximum Range	Unsatisfactory	or	0%
	Needs		
	Development		

Less than Maximum Range	Accomplished Standards	3% base adjustment, limited to Maximum of pay grade
Less than Maximum Range	Excellent	4 ½% base adjustment, limited to Maximum of pay grade
Less than Maximum Range	Outstanding	6% base adjustment, up Maximum of pay grade

Annual merit increases will be effective the payroll period that includes September 1st of each year and will be prospective from that date.

2. Initial Six-Month Merit Reviews:

Employees listed in Sections B, C and D of Attachment I who have completed less than six (6) months of service in their Management or Non-Represented classification effective June 30th of each year will not be eligible to participate in the annual review process. At the completion of the initial six months of service in their current classification, the employees in Sections B, C and D of Attachment I will receive a performance review and merit increase appropriate to the performance review rating. The criteria and rating system for six-month reviews will be the same as those for annual performance reviews.

Following the completion of six months of service in their current classifications, the employees in Sections B, C and D of Attachment I will be eligible to participate in the annual performance review process the following July. The merit increase granted in the first annual review process following the initial six (6) month merit review will be prorated to reflect only the time period since the completion of the initial six months of service. All subsequent performance reviews will be according to the same merit schedule as other Management and Non-Represented employees.

SECTION 4. WAGE AND SALARY ADJUSTMENT

Effective the pay period that includes July 1, 2021, the salary ranges of the classifications covered by this Resolution shall be increased by one percent (1.0%).

Effective the pay period that includes July 1, 2022, the salary ranges of the classifications covered by this Resolution shall be increased by one percent (1.0%).

SECTION 5. MANAGEMENT SPECIALIST

Classifications listed in Section D of Attachment I shall be designated as "Management Specialists" pursuant to the City's Personnel Rules and Procedures.

SECTION 6. SEVERANCE

In the event of a lay-off within a designated management classification, the City Manager shall be authorized to enter into a severance agreement with the impacted employee.


SECTION 7. EMPLOYEE RESPONSIBILITIES

Since it is the City's policy to recruit highly qualified staff at a competitive total compensation level, the employees shall be responsible for striving to meet the high performance standards established by the City management.


SECTION 8. EFFECTIVE DATE

The compensation policy provided for by this Resolution shall be operative from and after 12:01 a.m. on the first day of July 2019 unless otherwise stated. All previous resolutions are hereby repealed effective on the operative date of this resolution.

PASSED AND ADOPTED by the City Council of the City of Irvine at a regular meeting held on the 28th day of May 2019.


MAYOR OF THE CITY OF IRVINE

ATTEST:


CITY CLERK OF THE CITY OF IRVINE

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS
CITY OF IRVINE)

I, MOLLY M. PERRY, City Clerk of the City of Irvine, HEREBY DO CERTIFY that the foregoing resolution was duly adopted at a regular meeting of the City Council of the City of Irvine, held on the 28th day of May 2019.

AYES:	5	COUNCILMEMBERS:	Carroll, Fox, Khan, Kuo and Shea
NOES:	0	COUNCILMEMBERS:	None
ABSENT:	0	COUNCILMEMBERS:	None
ABSTAIN:	0	COUNCILMEMBERS:	None


CITY CLERK OF THE CITY OF IRVINE

ATTACHMENT I

Executive Management, Management and Non-Represented Employees (Exempt) Classification Titles

- A. City Manager
- B. Assistant City Manager
 - City Clerk
 - Director of Community Development
 - Director of Community Services
 - Director of Financial Management & Strategic Planning
 - Director of Human Resources & Innovation
 - Director of Public Affairs & Communications
 - Director of Public Safety/Chief of Police
 - Director of Public Works
 - Director of Transportation
 - Deputy City Manager
 - Deputy Director of Community Services
 - Deputy Director of Orange County Great Park
 - Deputy Director of Public Works
 - Deputy Director of Public Safety/Police Chief
 - Deputy Director of Community Development
 - Chief Information Officer
- C. Council Services Manager
 - Manager of Advance Planning
 - Manager of Animal Care
 - Manager of Building & Safety/Chief Building Official
 - Manager of Business Services
 - Manager of Community Services
 - Manager of Economic Development
 - Manager of Engineering/City Engineer
 - Manager of Facilities Maintenance & Rehabilitation
 - Manager of Fiscal Services
 - Manager of Housing
 - Manager of Human Resources
 - Manager of Land & Assets
 - Manager of Neighborhood Services
 - Manager of Public Communications
 - Manager of Public Services
 - Manager of Transit & Transportation
 - Special Assistant to the Chief of Police
- D. Chief Veterinarian
 - Animal Care Center Veterinarian