COMPENSATION PLAN

City of Novato and Confidential Employees (Unit F)

Term of Agreement July 1, 2023 - June 30, 2025

> 922 Machin Avenue Novato, CA 94945

TABLE OF CONTENTS

			<u>Page</u>	
1.	GEN	ERAL PROVISIONS	1	
	1.1	Term		
	1.1	Recognition		
	1.3	State Worker's Compensation Information		
2.	SAL	1		
	2.1	Salary Schedule	1	
	2.2	a. Salary Adjustment		
	2.3	b. Longevity Pay		
	2.4	Bilingual Pay		
2	2.5	Compensation Study		
3.		ARY STEP ADMINISTRATION		
4.	HOU	URLY RATES	3	
5.	REG	FULAR RATE OF PAY	3	
6.	SAL	ARY ADMINISTRATION	3	
7.	HOURS OF WORK			
	7.1	Regular Work Day	3	
	7.2	Paid Meal Break		
	7.3	Regular Work Period		
	7.4 7.5	Standard Hours and Days of Work		
	7.5 7.6	FLSA		
	7.7	Overtime		
8.	HOL	JDAY	6	
9.	VAC	VACATION		
	9.1	Vacation Entitlement	7	
	9.2	Vacation Credit		
	9.3	Effect of Separation on Vacation		
	9.4	Vacation Accrual		
	9.5 9.6	Vacation RedemptionStatus Report of Accrued Vacation Leave		
10		•		
10.	SICK LEAVE			
	10.1 10.2	General Exhaustion of Sick Leave		
	10.2	Sick Leave Credit		
	10.4	Doctor /Dentist Visits		
	10.5	Personal Necessity Leave	9	
11.	INDI	USTRIAL ACCIDENT LEAVE	9	

12.	SPECIAL LEAVE			
	12.1 12.2	Miscellaneous Leave with Pay Leave of Absence without Pay		
13.	ADMINISTRATIVE LEAVE			
	13.1	Eligibility and Administration	11	
14.	BENEFITS AND INSURANCES			
	14.1 14.2 14.3 14.4 14.5 14.6 14.7	Eligibility Benefit Enrollments Benefit and Insurance Amounts and Distribution Selection Vision Coverage Life Insurance Benefits for Part-Time Employees		
15.	RETIREMENT PLAN BENEFITS			
	15.1 15.2	Retirement Plans		
16.	EDUCATIONAL INCENTIVE14			
17.	DEFI	DEFERRED COMPENSATION14		
18.	CAREER LADDERS			
19.	PROFESSIONAL MEMBERSHIP FEES			
20.	PERFORMANCE EVALUATIONS			
21.	DIRECT DEPOSIT			
22.		PROBATIONARY PERIOD15		

CONFIDENTIAL EMPLOYEES (UNIT F) COMPENSATION PLAN

PREAMBLE

The purpose of this Compensation Plan is to set forth the wages, hours, benefits and other terms and conditions of employment of confidential employees in Unit F.

This Compensation Plan is subject to all existing laws of the United States of America, State of California, and the ordinances, resolutions and regulations of the City of Novato.

1. **GENERAL PROVISIONS**

1.1 Term

The term of this Compensation Plan shall become effective the first full pay period followed adoption by the Novato City Council and continuing through June 30, 2025.

1.2 Recognition

This Compensation Plan applies to employees in allocated positions in the classifications listed below:

Human Resources Assistant Accountant I Management Analyst I Accountant II Management Analyst II Accountant/Analyst

Assistant to the City Manager Principal Human Resources Analyst

Executive Assistant/ Deputy Principal Analyst

City Clerk

Assistant City Clerk Senior Information Technology Analyst

Executive Assistant Senior Accountant

Human Resources Analyst Senior Management Analyst

1.3 **State Worker's Compensation Information**

The City shall distribute literature to each new employee clearly describing the rights and benefits of all represented employees under the State of California Worker's Compensation laws.

2. SALARY COMPENSATION

2.1 Salary Schedule

Each unit member shall be paid in accordance with their placement on the salary schedule.

2.2 a. Salary Adjustment

Effective the first full pay period after City Council approval, a base wage increase of three and one-half percent (3.5 %) shall be made to the salary schedule.

Effective the first full pay period in July 2024 a base wage increase of three and one-half percent (3.5 %) shall be made to the salary schedule.

2.3 **b.** Longevity Pay

Longevity Pay shall be based on total years of service with the City of Novato. Effective the first full pay period after City Council approval:

- A base wage increase of one percent (1%) will be added to eligible employee's base wage, commencing at the beginning of the employee's 7th year of service to the City.
- An additional base wage increase of one percent (1%) will be added to eligible employee's base wage, commencing at the beginning of the employee's 10th year of service to the City.
- An additional base wage increase of one percent (1%) will be added to eligible employee's base wage, commencing at the beginning of the employee's 15th year of service to the City.

2.4 **Bilingual Pay**

Upon recommendation of the City Manager or designee, each person who has demonstrated Spanish language fluency to provide bilingual translation services shall receive an additional three percent (3%) of base compensation. To receive bilingual pay, the unit member shall have demonstrated language fluency in the designated language to the City's satisfaction and must provide bilingual services within the scope of their position and as otherwise directed by the City. Bilingual pay will be paid the first full pay period after the employee confirms proficiency and will not be eligible for retroactive compensation.

2.5 **Compensation Study**

The City will conduct a comparability/wage differential study benchmark positions in this unit to be completed no later than March 31, 2025. It is understood that given the unique nature of many of the positions in the unit, such a study may not include all unit positions, but reasonable comparables will be provided for all unit positions.

Prior to the initiation of data gathering, the representatives of the unit will meet with the Consultant to discuss the parameters of the study. No later than 60 days after completion of the study, the representatives of the unit and the City will meet to discuss the study's conclusions.

Agencies used for comparison will be: Benicia, El Cerrito, Fairfield, Marin County, Mill Valley, City of Napa, Petaluma, Pleasant Hill, Rohnert Park, San Rafael, Santa Rosa, Sausalito, Sonoma County, Walnut Creek. Additional agencies may be added in an effort to match comparable positions.

3. SALARY STEP ADMINISTRATION

Employees are eligible for an annual review for a step salary adjustment of 5%, on the anniversary of the employee's appointment date. This shall in no way limit the City Manager's ability to reduce an employee in pay as provided for in the Personnel Ordinance of the City of Novato. Step increases up to step five (5) will become effective on the employment anniversary date of the employee upon receiving a successful performance evaluation of "meets standard" or above, as stated in the ratings section of the City's performance evaluation document.

4. HOURLY RATES

Hourly rates shall be calculated by dividing an employee's annual salary by 2080.

5. REGULAR RATE OF PAY

Items included in determining the employee's regular rate of pay for purposes of calculating contract overtime, retirement and other regular pay calculations shall include

- the pay rate as established in the pay range of the employee's classification,
- educational incentive pay,
- special project pay, and
- other payments regarded as a part of regular compensation.
- all pay not excluded by 29 USC Section 207 (e) of the Fair Labor Standards Act ("FLSA")

The FLSA regular rate of pay will be calculated in accordance with the FLSA and its implementing regulations.

6. SALARY ADMINISTRATION

Salaries paid to occupants of said positions shall be administered in accordance with the Personnel Rules and Regulations and administrative policies established by the City Manager.

7. HOURS OF WORK

7.1 Regular Work Day

Except as provided below, the regular working day of City employees observing a 9/80 schedule is nine (9) hours of work within a period not to exceed ten (10)

consecutive hours, interrupted by a lunch break of not less than one-half hour, nor more than one (1) hour.

7.1.1 Alternative Work Schedules

Other alternative work schedules, up to an including a 4/10 schedule, may be approved by the City Manager or designee. Such alternate work schedules may include full-time work weeks of less than five (5) days or a combination of features provided that such schedules do not result in overtime.

7.2 Paid Meal Break

The regular working day of employees in the classification of Administrative Assistant who are assigned to the Police Department shall include a meal break of forty-five (45) minutes. The meal break is a paid meal break and is therefore encumbered. As a result, such employees must remain available for duty during meal time and may be ordered to return to work from their meal break.

7.3 Regular Work Period

A regular work period shall be forty (40) hours to be worked within a seven (7) day period. In general, the seven day period shall begin at 12:01 a.m. on Sunday and end at 12 midnight on Saturday. The City will individually designate work periods for employees working an Alternate Work Schedule.

7.4 Standard Hours and Days of Work

The standard work week shall consist of five (5) days, Monday through Friday, inclusive; the regular work day shall begin at 8 a.m. and end at 5 p.m. unless the employee is working a 9/80 schedule. This standard shall not apply to employees of departments which require a different schedule of work to meet operational and service objectives of City departments. Nonstandard hours and days of work for employees shall be as established in writing by the City Manager.

7.5 Hours

Hours worked shall be as defined in City's Personnel Rules.

7.6 FLSA

Any position or class of positions which are declared exempt from the overtime compensation requirements of the Fair Labor Standards Act (FLSA) are accountable for results rather than time worked. Such positions or class of positions, designated as executive, administrative or professional, are not required to be present at the work place or be in active work status for the full Regular Work Day, but may adjust time and location of work to suit workload needs. Employee(s) occupying such positions or class of positions may be absent from work for less

than a regular day, and the time of such absences shall not be charged against any earned or accumulated leave. Notwithstanding the above, performance or work product standards, as defined by the department head, may require such an employee's presence at the work place at given time periods. Furthermore, one full work day's absence will reduce leave balances by one full work day's work hours, and the Flexible Hour Program does not apply to these positions or class of positions.

7.7 **Overtime**

A. General

- 1. FLSA Standard - Except as otherwise specified in this resolution, all overtime shall be paid in accordance with the Fair Labor Standards Act (FLSA).
- 2. Eligible Classifications - The classifications of Executive Assistant, Executive Assistant to the Police Chief and Human Resources Assistant are time-related positions that are eligible for overtime.
- 3. Overtime Rates - In addition to daily overtime based on the unit member's daily scheduled hours, the following special overtime rates shall apply:
 - double time (2.0) for time worked in excess of sixteen (16) a) consecutive hours:
 - double time (2.0) for hours worked on a holiday; b)
 - overtime shall be compensated to the nearest one-quarter c) (1/4 hour).

4. Overtime Approval

Except in emergency circumstances, all overtime must be approved in advance by a supervisor.

- 5. Compensatory Time Off (CTO) In Lieu of Pay
 - a) With the approval of the unit member's supervisor, a unit member may elect to receive CTO in lieu of overtime pay.
 - CTO shall be earned and accrued at the rate appropriate for b) either overtime or extra hours.

B. Compensatory Time Off (CTO)

- 1. Eligibility Only unit members who are FLSA non-exempt shall be eligible to be paid overtime or accumulate CTO.
- 2. Eighty Hour Cap A unit member may accumulate up to eighty (80) hours of CTO.
- 3. Scheduling and Use All CTO must be scheduled in advance and requires supervisory approval. CTO may be taken off in minimum increments of one- quarter (1/4) hour increments.
- 4. Effect of Separation on CTO Upon separation of an employee's service with the City, they/them shall be paid a lump sum for all accrued CTO hours.

8. HOLIDAY

A. All employees shall receive fourteen (14) paid holidays per year.

New Year's Day January 1st

Martin Luther King Day
President's Day
Memorial Day
Third Monday in January
Third Monday in February
Last Monday in May

June teenth June 19 Independence Day July 4th

Labor Day First Monday in September

Veteran's Day November 11

Thanksgiving Day Fourth Thursday in November Day after Thanksgiving Friday after Thanksgiving

Christmas Eve December 24 Christmas Day December 25 New Year's Eve December 31

One (1) Floating Holiday

- B. It is the intent of this resolution that all full-time employees receive fourteen (14) paid holidays paid at nine (9) hours regardless of their assigned work week. When a holiday falls on a Saturday, the preceding Friday shall be deemed a holiday. When a holiday falls on a Sunday, the following Monday shall be deemed a holiday. When the holiday falls on an employee's regular day off, they/them shall receive straight time payment for that day or may choose not to take payment but select another day as holiday leave with pay during the fiscal year with the consent of the department head. Employees not in a pay status, excluding disciplinary action, on the day preceding a holiday shall not receive the benefit of a paid holiday.
- C. Employees shall be paid at ten (10) hours per holiday when they are working a 4/10 schedule. All other provisions concerning the payment of holidays included in Section B above shall apply.

D. The floating holiday may be taken at any time during the fiscal year with the approval of the employee's department head. The floating holiday may not be accumulated and carried forward to the next fiscal year.

9. VACATION

9.1 Vacation Entitlement

Employees covered under this resolution shall earn vacation in accordance with the following vacation entitlement schedule:

Service	Hours Earned
First Year	80 hours / 3.08 per pay period
Second Year	88 hours / 3.38 per pay period
Third Year	96 hours / 3.69 per pay period
Fourth Year	104 hours / 4.00 per pay period
Fifth Year	112 hours / 4.31 per pay period
Sixth Year	120 hours / 4.62 per pay period
Seventh Year	128 hours / 4.92 per pay period
Eighth Year	136 hours / 5.23 per pay period
Ninth Year	144 hours / 5.54 per pay period
Tenth Year	152 hours / 5.85 per pay period
Twelfth Year	160 hours / 6.15 per pay period
Fifteenth Year	168 hours / 6.46 per pay period
Seventh Year	176 hours / 6.77 per pay period
Twenty-first Year	184 hours / 7.08 per pay period

9.2 Vacation Credit

- a) An employee shall begin earning vacation upon the first day of employment. Vacation leave time shall be accrued as it is earned; odd fractions rounded to the nearest hundredth. Vacation time shall not be taken until earned and shall be subject to all other provisions of this resolution. When an employee is on a leave without pay status, they/them shall not be entitled to earn vacation. For purposes of calculating vacation earned upon separation, the entitlement is earned on a monthly basis calculated by multiplying the annual entitlement times 8 hours and dividing by 12. Odd fractions will be rounded to the nearest hundredth.
- b) The times during which an employee may take vacation shall be as approved by the department head or their immediate supervisor, provided that if the requirements of the City service are such that part or all of an employee's vacation must be deferred beyond a calendar year, the employee may take vacation during the following calendar year.
- c) It is the policy of the City that employees take their normal vacation each year; provided, however, an employee may take less than a normal vacation in one year and carry the balance of their earned time over to the next year.

However, no employee shall be allowed to carry over more than 320 hours of earned vacation to the next year.

d) It shall be at the employee's discretion to decide which type of paid leave (other than sick leave) they wish to use as vacation time.

9.3 Effect of Separation on Vacation

Upon separation of an employee's service with the City, they/them shall be paid a lump sum for all accrued vacation hours.

9.4 Vacation Accrual

- a) Employees may accrue no more than 320 hours of vacation time. When an employee reaches their maximum vacation accrual, no further vacation will accrue until the employee's accrual is decreased below the allowed maximum of 320 hours.
- b) For employees with over 280 hours that are denied their vacation request by the department, the employee will be allowed to accrue more than the 320-hour maximum until the department grants the request for vacation.

9.5 Vacation Redemption

Employees may cash out up to eighty (80) hours of vacation once per fiscal year; the employee may request the cash out during the month of December. Payment for these hours will be included in the second payroll in January.

9.6 Status Report of Accrued Vacation Leave

The City will provide regularly to each employee on their paycheck stub an official record of their then current accrued vacation leave. Employees may verify their vacation balances on eSuite.

10. SICK LEAVE

10.1 General

- a) Each employee in the competitive service shall be entitled to one working day of sick leave with pay for each month or major fraction thereof served. Sick leave will accrue at 9 hours per month for Confidential employees who work a 9/80 schedule. When an employee is on leave without pay, sick leave credit will not be accumulated.
- b) Sick leave with pay up to the total number of accumulated sick days shall be granted by the department head in case of bona fide illness or injury of employee or the employee's "family member" as defined in the California Family Rights Act (CFRA). The City may determine, by reasonable means,

the validity of any sick leave usage either as a condition of continuing an employee on sick leave status or as a requirement of returning to work.

- c) For absence of more than three (3) days, an employee may be required to present a medical doctor's certificate verifying the personal illness or injury and/or a medical authorization to return to work.
- d) The City acknowledges its obligation to comply with the requirements of the Family Medical Leave Act (FMLA) and CFRA.

10.2 Exhaustion of Sick Leave

When an employee is on sick leave status and such sick leave time due the employee has been exhausted, subsequent leave of absence may first be charged to compensatory time accruals and then to vacation accruals subject to City Manager or designee approval.

10.3 Sick Leave Credit

Accumulated sick leave will be credited to employee's length of service upon retirement from the City of Novato and will become a part of the calculation upon which PERS retirement benefits are established.

10.4 Doctor / Dentist Visits

Sick leave may be used for doctor or dentist visits or to obtain medical or dental care for an employee or employee's "family member" as defined in CFRA, subject to advance approval by the department head.

10.5 Personal Necessity Leave

Employees represented by this resolution may convert one day of sick leave to personal necessity leave provided that the employee has a bank of at least 40 hours sick leave remaining after the conversion. Such leave shall be treated in the same manner as vacation leave for the purposes of reporting and scheduling but shall not accrue beyond the fiscal year.

11. INDUSTRIAL ACCIDENT LEAVE

- A. In cases where Workers' Compensation is not immediately payable, City will provide full pay, without charge against sick leave, during the first five (5) days off work and any portion thereof, following an industrial accident, provided the City determines that:
 - 1. The accident is, in fact, work-related.
 - 2. Time off work is necessary as determined by City physician.

3. The duration of the time off work is necessary as determined by City medical examiner.

Any compensation insurance payments received by the employee, except for payments received for permanent or partial disability not associated with current injury, shall be deposited in the City treasury for this five-day period.

- B. After the first five days, or if not in conformance with the above criteria, accumulated sick leave shall be applied to time off work following an industrial accident in a proportionate amount which, when added to worker's compensation benefits, provides compensation benefits equal to 86% of the employee's wage or salary.
- C. The employee has the right to notify the City, in writing, prior to an injury, of their choice of physician should the employee be injured. If the employee does not make this prior notification, the City has the right to require that the treatment be provided by a City designated medical examiner during the first 30 days after the injury in accordance with Section 4600 and 4601 of the Labor Code. This does not preclude the employee from seeking emergency treatment from a physician of the employee's choice, or from being evaluated by a doctor of the employee's choice even while under treatment form the City's medical examiner. In such circumstances other than in emergency situations, use of a personal physician would be at employee's expense.

If the employee is still in need of medical care 30 days after the work-related and reported injury, the employee has the right to be treated by a doctor of their choice.

Industrial accident leave shall begin on the first day of such absence and shall continue for the length of the approved medical leave.

When an employee is on industrial accident leave status and such industrial accident leave time due the employee has been exhausted, subsequent leave of absence shall first be charged to sick leave accruals, then to compensatory time accruals and then to vacation accruals. An exception shall be made if such would cause an employee to lose vacation which could not be carried forward.

12. SPECIAL LEAVE

12.1 **Miscellaneous Leave with Pay**

- A. An employee in the competitive service shall be granted leave of absence with full pay for:
 - 1. Jury service;
 - 2. Subpoena of him/her as a witness; or

3. Attendance in court resulting from their official duties as assigned by the City Manager.

12.2 **Leave of Absence without Pay**

Upon the written request of any employee, leave of absence without pay may be approved as follows: for a period of five days by the Assistant City Manager; for a period in excess of five days and up to one year by the City Manager. All such leaves shall be granted in writing.

During such leave of absence, benefits will not be paid unless employee elects to reimburse the City for cost; sick leave, vacation or holiday benefits will not be accrued or paid.

Leave of absence without pay will also be granted in accordance with the Federal Family and Medical Leave Act of 1993 and the California Family Rights Act of 1991.

13. ADMINISTRATIVE LEAVE

13.1 **Eligibility and Administration**

In recognition of the irregular hours and time required by confidential employees, an administrative leave program is established. Each FLSA exempt employee may receive up to twelve (12) days of administrative leave annually paid at nine (9) hours.

Administrative Leave can be taken in increments of one hour once leave balance is ten (10) hours or less.

14. **BENEFITS AND INSURANCES**

14.1 **Eligibility**

When an employee commences work with the City, their benefit distribution selection effective date of coverage depends on times established by the individual carriers. In most cases, coverage begins the first of the month following date of hire.

14.2 **Benefit Enrollments**

Mandatory

Dental Insurance

Vision Insurance

Employee Life Insurance (Basic \$50,000, AD&D)

State of California Disability Insurance

Optional

Health Insurance/Health and Welfare Programs (Medical carriers as provided by PERS health Plan):

- Employee only
- Employee and one dependent
- Employee and two or more dependents

14.3 **Benefit and Insurance Amounts and Distribution**

Effective July 1, 2023, and updated with the new dollar amounts for the next plan year, the City shall contribute the following amounts towards employee health care premiums based on the applicable participation levels:

- Employees at the "employee" only level shall receive \$1,050 per month or a) the amount of the Kaiser Region 1 premium, whichever is greater.
- b) Employees at the "employee plus one" level shall receive \$1,827.48 per month or the amount of the Kaiser Region 1 Two-Party premium, whichever is greater.
- Employees at the "employee plus two or more" level shall receive \$2,375.72 c) per month or the amount of the Kaiser Region 1 Family premium, whichever is greater.
- d) Employees hired on or before August 24, 2010, may cash any unused portion of the contribution as taxable income to the member.
- Employees hired on or after August 25, 2010, who enroll in a medical care e) plan through the City, shall receive no cash out of the City's contribution for health care premiums if the contribution exceeds the amount required to pay the premium. Such employees who do not enroll in a medical plan through the City shall be limited to health care cash out of no more than Two Hundred and Fifty Dollars (\$250.00) per month, which shall constitute taxable income to the member.

14.4 Selection

a) Employees will choose from available optional health programs and/or health and welfare plans at such times as carriers allow for open enrollment periods. Dependent coverage may be added or deleted between open enrollment periods, subject to conditions imposed by the selected carriers. Mandatory coverage means that member participation is required. The times at which enrollment in or withdrawal from nonmandatory group life and disability income insurance plans is authorized shall be as established by City policy subject to requirements of the insurance carriers.

- b) If the status of an employee's dependent changes, the employee is responsible for notifying Human Resources within thirty (30) days of the effective date of the change to ensure that the City's contribution rate is properly adjusted, if necessary. Failure to notify Human Resources of such change within thirty (30) days could result in the employee being held financially responsible for any benefit overpayment, if retroactive removal is required by law or benefit plan agreements. The employee will be required to reimburse the City via payroll deduction for any such benefit overpayment.
- c) On an annual basis, any employee will be required to verify their dependent status, in writing, to ensure that the City is contributing the appropriate amount towards health insurance premiums and to conform the employees compliance with the Patient Protection Act and Affordable Care Act. The City will use the Cal PERS definition of the term "dependent." The City reserves the right to request a new employee attestation of dependent status upon changes in benefit enrollments

14.5 Vision Coverage

Regular employees are eligible for vision insurance coverage for the employee and eligible dependents. The City pays one hundred percent (100%) of the monthly vision plan insurance premium rate for the standard plan on behalf of each regular full-time employee and their eligible dependents.

14.6 Life Insurance

The City will provide \$50,000 life insurance for each employee represented by the Confidential Unit. The City pays one hundred percent (100%) of the monthly life insurance premium on behalf of each regular full-time employee.

14.7 Benefits for Part-Time Employees

Regular employees working less than a full schedule but more than half-time, shall be entitled to all benefits provided on a reduced time or payment basis computed on the ratio based on the percentage of full-time equivalency.

15. RETIREMENT PLAN BENEFITS

15.1 Retirement Plans

The City will continue its participation in the State of California Public Employees' Retirement System (PERS) for members as follows:

a) Tier One – Applicable to employees who are not defined as "New Members" in Government Code Section 7522.04 and were hired into the City of Novato before September 25, 2011, are eligible for a 2% @ 55 benefit formula with a one-year highest compensation benefit.

- b) Tier Two Applicable to employees who are not defined as "New Members" in Government Code Section 7522.04 and were hired into the City of Novato on/after September 25, 2011, are eligible for a 2% @ 55 benefit formula with a three-year highest compensation benefit.
- c) Tier Three Applicable to employees who are defined as "New Members" in Government Code Section 7522.04 and were hired on/after January 1, 2013 are eligible for the 2% @ 62 benefit formula.
- d) The City will continue to provide the following benefits through its contract with the California Public Employees' Retirement System (PERS) for a retirement plan:
 - Level 4 1959 Survivors Benefits
 - Sick leave service credit

15.2 Member Contributions

- a) All Tier I and Tier II employees shall contribute 2.5% towards the employer share of PERS contributions resulting in a total employee contribution of 9.5%.
- b) Tier III employees, who are defined as "New Members" hired on/after January 1, 2013, shall continue to contribute 50% of the total normal cost, unless otherwise determined by CalPERS, or the PERS retirement plan.
- c) Employee contributions paid by members will be deducted on a pre-tax basis, in accordance with IRC Section 414(h)(2).

16. EDUCATIONAL INCENTIVE

The following tuition reimbursement and education incentive payments will be made available:

- 1. Tuition reimbursement may be made up to \$1,250 per fiscal year in accordance with established City policy.
- 2. Educational incentive payments may be made in the amount of \$50 per month for level one reimbursement, and \$75 per month for level two reimbursement.

17. DEFERRED COMPENSATION

Employees may elect a monthly payroll deduction in an amount permissible under the City plan to be placed in a deferred compensation program administered at no cost to the City. Such monies deposited would become tax deferred and would be subject to income taxation in the year they are withdrawn from the deferred compensation program.

18. CAREER LADDERS

Specific career ladders shall be maintained and extended where possible. This program shall be supported by budgetary position allocation which permits promotion through ranks to the highest nonsupervisory, nonspecialized position in a series upon qualifying therefore. The City maintains the right, based on program needs and service demands, to set standards of service and determine allocation of positions to meet these needs.

The various City departments are considering restructuring and reorganization. The Confidential Unit and City agree to meet and discuss the impacts of department reorganization that may be implemented during the term of this resolution.

19. PROFESSIONAL MEMBERSHIP FEES

Most confidential personnel are expected to maintain membership in appropriate professional organizations. These memberships serve to acquaint the City with the current state-of-the-art in these professional areas by means of publications and special activities. The City will include the costs of these membership fees in the respective department budgets, subject to approval by the City Manager or designee.

20. PERFORMANCE EVALUATIONS

Performance evaluations shall be completed one-week prior to the employment anniversary date of the employee, but no later than sixty (60) days after this date. Employees who do not receive their evaluation within the sixty (60) day period should contact their immediate supervisor, Department Head or the Personnel Department.

21. DIRECT DEPOSIT

All employees shall establish a direct deposit account, absent extraordinary and demonstrated hardship, in order to receive their pay checks.

22. PROBATIONARY PERIOD

The probationary period for Confidential employees newly hired or promoted into or within the unit shall be twelve (12) months.