

Menlo Park Fire Protection District

COMPENSATION PLAN

Management and Confidential Unrepresented Personnel

DRAFT

Effective October 1, 2015 through July 9, 2016,
except where specifically noted.

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COMPENSATION PLAN FOR THE MENLO PARK FIRE PROTECTION DISTRICT

Management and Confidential Personnel

As used in this Plan, the term “Management and Confidential” refers to all unrepresented, non-safety employees, including Mid-Level Management employees and Miscellaneous Line (non-management) staff. This group will hereafter be identified as “Management and Confidential” personnel.

SECTION I. COMPENSATION

This section applies to all management and confidential employees and does not include District Board or the Fire Chief. The Fire Chief shall be the responsible decision-maker under this Plan for those employees in departments under his/her control.

A. MANAGEMENT AND CONFIDENTIAL COMPENSATION POLICY

The District’s policy for Management and Confidential compensation is to establish and maintain a general structure based on marketplace norms and internal job alignment with broad compensation grades and ranges. Structures and ranges will be reviewed and updated as necessary based on marketplace survey data, internal relationships, and District financial conditions.

Individual compensation adjustments will be considered by the Fire Chief based on (1) performance factors including achievement of predetermined objectives; (2) pay structure adjustments; and (3) District financial conditions.

B. BASIC PLAN ELEMENTS

1. Structure. The compensation plan includes a separate salary range for each classification with a mid-point which is 20% above the minimum, and 20% below the maximum of the range. All Management and Confidential positions will be assigned an appropriate pay range based on salary survey data and internal relationships. Actual salary within the range is determined by experience and performance.

Competitive marketplace studies will be conducted as needed by surveying a minimum of 5 organizations similar to the District in number of employees, budget, population, location, and services provided when possible. These studies will focus on total compensation for position-by-position comparisons using market research and internal equity data. The results of these studies may indicate the pay range structure be adjusted and such adjustments will only affect the salary administration framework. No individual salaries will be automatically changed because of structural adjustments.

2. Compensation Adjustment Authorization: Following Board adoption of this plan all pay ranges for classifications within this group will receive a five percent (5%) salary increase effective the first of the pay period including October 9, 2015. Effective the pay period including July 9, 2016, all pay ranges for classifications within this group will receive a three percent (3%) salary increase.

- a) Base Compensation. Compensation for Management and Confidential employees includes bi-monthly base pay and is paid on a continuing basis. On a fiscal year basis, the bi-monthly base pay must fall within the established pay range.

Base pay increases are earned and authorized in accordance with this compensation plan and are based upon growth within the position and performance, which must meet or exceed position standards defined through the performance planning and appraisal process described in subsection b below, the salary structure, and the District's ability to pay.

Management and Confidential employees who have received an overall rating of "Meets" or "Exceeds" expectations on their annual review and who have not been on a performance improvement plan during the preceding fiscal year will be eligible for an adjustment to base compensation. Nothing herein shall preclude an employee's manager from awarding a mid-point adjustment increase to an employee on a performance plan at a later date should employee's performance improve.

- b) Performance Planning and Appraisal. Performance appraisals will be conducted at the end of each fiscal year during the months of July through September 30 each year prior to determining individual employee fixed compensation. Alignment with the fiscal year cycle is intended to ensure employees set goals consistent with the District's goals for that year. This process includes both review of previous performance plan and preparation of the performance plan for the next planning period (usually the fiscal year). Performance plans are jointly prepared by the employee and supervisor with the concurrence of the department head or the Fire Chief. The performance plans shall contain measurable objectives which place special emphasis on position description duties or specific assignments. Progress toward meeting objectives shall be monitored periodically. The performance appraisals should be implemented in a manner that will achieve the following objectives:

- Define the employee's job duties and expected level of performance for the next review period to ensure that both the employee and supervisor have a clear understanding of the employee's role and responsibilities;
- Evaluate and document past performance to serve as a basis for establishing and obtaining future performance standards/objectives;
- Facilitate two-way communication and understanding between the employee and his or her supervisor;
- Counsel and encourage employees to work toward a learning development plan and realize their full potential;
- Establish future work plan objectives.

Work plans should include job related projects or special goals related to regular job duties when applicable. At the conclusion of the fiscal year (or review period), supervisors shall make a final determination of the overall performance rating.

Recommendations shall be forwarded to Human Resources and the Fire Chief who will then determine individual fixed adjustments according to the provisions of the compensation plan. Each department will ensure that metrics tie to the performance appraisal. The performance planning and appraisal process should be completed by September 30.

C. MANAGEMENT AND CONFIDENTIAL COMPENSATION ADJUSTMENT AUTHORIZATION

1. The Fire Chief is authorized to pay salaries in accordance with this plan to management and confidential employees in an amount not to exceed the Board approved budgeted salaries for the applicable fiscal year.
2. Individual management and confidential compensation authorized by the Fire Chief under the Management and Confidential Compensation Plan may not be less than 20% below nor more than 20% above the mid-point for the individual position grades authorized in Salary Schedule attached.
3. The Fire Chief is authorized to establish such administrative rules as are necessary to implement the Management and Confidential Salary Plan subject to the limitations of the approved compensation adjustment authorization and the approved range and mid-point structure.
4. Notwithstanding any other provision of this Compensation Plan, in the event a downward adjustment of a position range assignment indicates a reduction in the established salary of an individual employee, the Fire Chief may, if circumstances warrant, continue the salary for such employee in an amount in excess of the revised range limit for a reasonable period of time. Such interim salary rates shall be defined as "Y-rates." Employees in "Y-rated" positions shall not be eligible for any increase to base salary unless and until the amount of the "Y-rated" salary is equal to or less than the published pay rates. Employees assigned to work above class duties shall not be eligible for "Y-rated" pay on conclusion of a work above class assignment.

SECTION II. SPECIAL COMPENSATION

This section applies to all eligible regular management and confidential positions. Eligibility shall be in conformance with the District Policy and Procedures, Regulation, and or Administrative Directives issued by the Fire Chief for the purposes of clarification and interpretation.

A. OVERTIME

Compensation for overtime work shall be in conformance with the District guidelines and Policies and Procedures.

B. DISTRICT HOLIDAYS

The following are recognized as District paid holidays:

New Year's Day	Columbus Day
Martin Luther King Jr. Day	Veterans Day
President's Day	Day Before Thanksgiving Day
Memorial Day	Thanksgiving Day
Independence Day	Christmas Day
Labor Day	Day After Christmas

1. Observance

In the event that a holiday is observed on an employee's regularly scheduled day off, the employee will be permitted to observe the holiday on the regularly scheduled work day which immediately precedes or succeeds the holiday.

A Friday or Saturday holiday shall be observed on the previous Thursday. A Sunday holiday shall be observed on the following Monday.

If a District paid holiday falls during the employee's scheduled vacation, the holiday will not be counted as vacation taken.

In order to receive holiday pay, an employee must be in paid status on the day immediately preceding and immediately following the date on which the holiday is observed. The number of hours that an employee will receive in holiday pay will be the same as the number of hours that the employee would have regularly worked if not for the holiday. If an employee is on a paid leave of absence when the holiday is observed, the number of hours that the employee will receive in holiday pay will equal the number of hours in which the employee was in paid status on the days immediately preceding and succeeding the holiday. An employee who separates or commences an unpaid leave of absence on the last scheduled workday preceding a holiday will not receive holiday pay.

2. Floating Holidays

In addition to the recognized holidays identified in Section B above, each employee shall be granted two days' worth of floating holiday hours per year on July 1. The number of floating holiday hours granted shall be equal to the employee's full-time equivalency on July 1. Once granted, the number of hours shall remain available for the employee's use during the year. Floating holidays can be taken at any time upon approval of the

employee's supervisor. No employee may have more than the equivalent of 2 days' worth of floating holiday hours at any time. Any unused floating holiday hours on June 30 will be forfeited. Floating holidays do not carry over from year to year.

3. Work On a Holiday

A non-exempt employee who is required to work on a holiday shall receive, in addition to pay for the holiday, pay at the employee's regular hourly rate for all such hours worked. An exempt employee who is required to work on a holiday shall be allowed to take the holiday on an alternate regularly scheduled work day of their choice within the same pay period.

C. RESIDENCY STIPEND

In the interest of supporting employees who choose to live in close proximity to the District for faster response in an emergency, the District will provide management and confidential employees who live within a 30 mile radius of 170 Middlefield Road, Menlo Park, CA 94025 the following benefit:

Effective pay period following 10/9/15: \$100 month stipend

Effective pay period following 7/9/16: \$200 month stipend

Such stipend will not be included when calculating the employee's regular rate of pay for overtime pay, and will not be reported as compensation for purposes of pension benefits.

D. WORKING ABOVE CLASSIFICATION PAY

Where management and confidential employees, on a temporary basis, are assigned to perform all significant duties of a higher classification for a period of one pay period or more, the Fire Chief may authorize payment within the range of the higher classification for the specified time frame. Working above classification will not exceed six months, unless renewed at the discretion of the Fire Chief. On expiration of that timeframe, working above classification pay will cease and the employee will return to his or her former pay level. Working above classification pay is not to exceed 10% more than the employee's current salary and shall be documented on a Personnel Action Form, with a description of the additional duties in the higher classification to be performed and an end date.

E. JOB DESCRIPTION REVIEW

Employees on an annual basis may request to have their job classification reviewed. This review shall include a review of the required knowledge, skills, and abilities, as well as the specific job duties. The employee shall submit this review to their supervisor for comment. The supervisor will then submit the review to Human Resources for final review. In the event that revisions are recommended by the supervisor and Human Resources, the Fire Chief shall have final discretion for updating and implementing job description changes. Changes to a job description will not necessarily result in a change to compensation. Any recommended change that results in a

change in classification title and revised salary range must be approved by the Board prior to implementation.

F. DISTRICT BRANDED APPAREL

Each management and confidential employee will be allowed 4 District provided shirts. Any customizations (e.g. name embroidery or tailoring) shall be paid by the employee. The employee may purchase additional shirts or District branded apparel at their own cost. Cleaning or replacement of District provided shirts will be at the employee’s expense.

G. GROUP INSURANCE

1. Effective Date of Coverage for New Employees

For newly-hired regular employees coverage begins on the first day of the month following date of hire for the health plan, dental plan, PEHP, long term disability and life insurance plans if these benefits are elected.

2. Active Employee Health Plan

a) For health coverage in calendar year 2015 the maximum District contribution towards medical premiums for eligible full time employees per employee category shall be up to a maximum of the following for any plan:

<u>Medical Premium Category</u>	<u>PEMHCA contribution*</u>	<u>Additional District Café Plan Contribution 2015</u>	<u>Up to a Total Maximum District Contribution</u>
<u>Employee only</u>	<u>\$122.00</u>	<u>\$1100.00</u>	<u>\$1222.00</u>
<u>Employee plus one</u>	<u>\$122.00</u>	<u>\$1100.00</u>	<u>\$1222.00</u>
<u>Employee Family</u>	<u>\$122.00</u>	<u>\$1100.00</u>	<u>\$1222.00</u>

*The PEMHCA minimum changes per statutory determination. The PEMHCA amount will not be included in any waiver or cash amount paid to employees and is only applicable to employees enrolling in CalPERS health plans.

b) For health coverage beginning January 1, 2016, the maximum District contribution towards medical premiums for eligible full time employees per employee category shall be up to a maximum of the following for any plan:

<u>Medical Premium Category</u>	<u>PEMHCA contribution*</u>	<u>Additional District Café Plan Contribution 2016</u>	<u>Up to a Total Maximum District Contribution</u>
<u>Employee only</u>	<u>\$125.00</u>	<u>\$1650.00</u>	<u>\$1775.00</u>
<u>Employee plus one</u>	<u>\$125.00</u>	<u>\$1650.00</u>	<u>\$1775.00</u>
<u>Employee Family</u>	<u>\$125.00</u>	<u>\$1650.00</u>	<u>\$1775.00</u>

*The PEMHCA minimum changes per statutory determination. The PEMHCA amount will not be included in any waiver or cash amount paid to employees and is only applicable to employees enrolling in CalPERS health plans.

- c) The District’s total maximum contribution towards medical premiums for eligible part time employees shall be prorated based on the number of hours per week the part-time employee is assigned to work.
- d) In the event premiums and/or costs for the benefits selected by the employee exceed the amount in the Health Benefits Allowance, the balance will be paid by the employee through automatic pretax payroll deduction, as allowed under Internal Revenue Code Section 125. Health Benefit Allowance amounts not exhausted for the purchase of benefits under the Alternative Benefits and Compensation Plan will be paid to the employee in taxable cash or the employee may choose to allocate said monthly sum toward, life insurance, Flex Spending Dependent Care, Flex Spending Medical, Flex Spending Commuter Benefits, and other benefits specified in the program.

3. Medical Benefit Waiver Program

If a regular employee and/or the employee’s dependent(s) are eligible for and elect to receive medical insurance through another non-District employer-sponsored or association medical plan, the employee may choose to waive his/her right to the District’s medical insurance and receive cash payments in the amount of \$1400/month as taxable, Non-PERSable income. The employee must provide proof of their coverage under another health plan or will be automatically enrolled in the lowest cost plan offered by the district.

4. PEHP (POST EMPLOYMENT HEALTH PLAN) 501c PLAN

The Fire District will contribute to each employee \$250/month towards PEHP. Nationwide Insurance Group manages this plan.

- a) Employees Hired Prior to January 1, 2012 and retire with 20 years of service:

The District's monthly employer contribution for each employee retiring prior to January 1, 2012 with at least 20 years of service with the District shall be \$300 per month. This monthly payment amount will discontinue when the employee reaches age 65.

b) For employees hired after January 1, 2012, the benefit has been eliminated.

5. Dental Plan

The District shall contribute one hundred twenty-two dollars (\$122.00) per month toward the District's dental plan for each management and confidential employee. It will be pro-rated at the beginning and ending of employment. During the term of this agreement, the District shall pay any administrator fees. Employees can receive up to a guaranteed amount of \$1,464 under the plan provided they have at least one cleaning during the plan year. If funds permit in the plan, employees can be eligible to receive up to \$5,000 during the plan year. Orthodontics are covered for employee and eligible dependents at a life-time maximum of \$1,500.

6. Basic Life Insurance

The District shall provide a basic group term life insurance in an amount of \$25,000 at no-cost to the employee.

H. EMPLOYEE ASSISTANCE PLAN

The Employee Assistance Plan (EAP) provides employees with confidential personal counseling, work and family related issues, eldercare, substance abuse, etc. In addition, EAP programs provide a valuable tool for supervisors to refer troubled employees to professional outside help. This service staffed by experienced clinicians is available to employees and their dependents by calling a toll-free phone line 24 hours a day, seven days a week. Guidance is also available online.

I. FLEX SPENDING PROGRAM

This benefit is designed to meet the requirements of Section 125 of the Internal Revenue Code.

a) Medical Flexible Spending Account (Medical FSA). Provides reimbursement for excess medical/dental/vision, or expenses that are incurred by employees and their dependents which are not covered or reimbursed by any other source, including existing District-sponsored plans. This includes prescribed medications and copayments as well as over-the-counter drugs, including: antacids, allergy medicines, pain relievers and cold medicines. However, nonprescription dietary supplements (e.g. vitamins, etc.) toiletries (e.g. toothpaste), cosmetics (e.g. face cream), and items used for cosmetic purposes (e.g. Rogaine) are not acceptable.

- b) Dependent Care Flexible Spending Account (Dependent Care FSA). Provides reimbursement for qualified dependent care expenses under the District's Dependent Care Assistance Program (DCAP), subject to the IRS and plan limits.

J. LEAVES

1. Paid Time Off (PTO)

The District does not offer separate vacation, sick leave, or annual leave banks. All hours are accrued as PTO. PTO will be accrued when an employee is in pay status and will be credited on a bi-monthly basis. Total PTO accrual at any one time may not exceed 500 hours. Employees that accrue over the 500 hour limit will be cashed out for the excess hours in December of each year. Each eligible employee shall accrue PTO at the following rate for continuous service performed in pay status:

- a) Less than four (4) years: For employees completing less than four (4) years continuous service: 228 hours per year; equivalent of 19 hours per month or 9.50 hours per pay period.
- b) Upon completion of the 3rd year and working one day into the 4th year but less than ten (10) years completed: 288 hours per year; equivalent of 24 hours per month or 12 hours per pay period.
- c) Upon completion of the 9th year and working one day into the 10th year but less than fourteen (14) years completed: 300 hours per year; equivalent of 25 hours per month or 12.50 hours per pay period.
- d) Upon completion of the 13th year and working one day into the 14th year but less than nineteen (19) years completed: 312 hours per year; equivalent of 26 hours per month or 13 hours per pay period.
- e) Upon completion of the 18th year and working one day into the 19th year: 348 hours per year; equivalent of 29 hours per month or 14.50 hours per pay period.

Balances upon separation shall cashed out as follows: 50% of any accrued annual leave will be paid in the form of a lump sum payment, with the remaining 50% being deposited into the employee's PEHP Account

2. Bereavement

Leave of absence with pay of four (4) consecutive days may be granted an employee by the head of his/her department in the event of death in the employee's immediate family, which is defined for purposes of this section as wife, husband, son, son-in-law, step-son, daughter, daughter-in-law, step-daughter, mother, mother-in-law, father, father-in-law, brother, brother-in-law, sister, sister-in-law, grandmother, grandmother-in-law, grandfather,

grandfather-in-law, grandchild, aunt, uncle, niece, nephew, registered domestic partner, or a close relative residing in the household of employee. Such leave shall be at full pay and shall not be charged against the employee's accrued paid time off bank. Requests for leave in excess of three days shall be subject to the approval of the Fire Chief.

3. Use of accrued leave credits during leaves of absence

During unpaid leaves of absence for disability or other reasons, the employee may elect and the District may require the employee to use accrued paid time off in a manner consistent with state and federal law. Requests for leaves without pay shall not be unreasonably denied. In order to avoid misunderstandings, all leaves without pay must be in writing to be effective.

K. RETIREMENT PENSION

1. Miscellaneous Pension Formulas:

- a. Miscellaneous Pension Group A: 2.7% at 55. The District provides retirement benefits under the California Public Employees Retirement System at the level of 2.7% at age 55 for employees who are not "new members" of CalPERS as defined in the Public Employees' Pension Reform Act (often referred to as "Classic" CalPERS members).
- b. Miscellaneous Pension Group B: 2% at 62. Employees hired on or after January 1, 2013 meeting the definition of "new member" under the Public Employees' Pension Reform Act (Gov't. Code s. 7522 et seq.) shall be subject to all of the provisions of that law, including but not limited to the two percent at age 62 (2%@62) retirement formula with a three (3) year final compensation period. This group is commonly referred to as PEPRA.

2. Employee PERS Share.

- a. Miscellaneous Employee Shares:
Employees in Miscellaneous Pension Group A shall pay the full eight percent (8%) employee contribution.
Employees in Miscellaneous Pension Group B shall pay the employee contribution required by the Public Employees' Pension Reform Act, calculated at fifty percent (50%) of the normal cost.

L. COMMUTE INCENTIVES

1. Alternative Commute Incentives: The District offers employees the option of participating in Commuter Benefits for parking and mass transit on a pre-tax basis.

The District will evaluate the value of this benefit to the Management and Confidential employees. The District may suggest an alternate benefit of similar cost and implement this benefit with approval from the Fire Chief. Any recommended alternate benefit with a significant cost difference will be presented to the Board for approval.

M. AT-WILL STATUS

Certain Management and Professional Positions are designated as having “at-will” employment status. Employees hired into “at-will” positions shall have no constitutionally protected property or other interest in their employment with the District. Notwithstanding any provision in the Merit System Rules and Regulations or any other District rule, policy or procedure, at-will employees have no right to continued employment or pre-or post-disciplinary due process and work at the will and pleasure of the hiring authority of the Fire Chief. Work for an at-will employee may be eliminated and/or the employee may be terminated, or asked to resign, at any time, with or without cause, upon notice to that employee, and the employee may resign at any time upon written notice to the hiring authority.

1. At-will Management & Confidential positions.

Effective on the date of adoption of this plan, new employees hired or promoted to department head and all other positions listed on Attachment B shall be at-will employees.

At-will employees will be eligible for, and shall receive, all regular benefits (i.e., health insurance, PERS contribution to the extent paid by District, etc.) and paid time off, and management leave as are generally provided to management employees and described in this compensation plan, as amended from time to time. At-will employees who are terminated or asked to resign shall, upon execution of a release of all claims against the District, be eligible for a severance payment equivalent to four (4) weeks of salary and benefits, increasing after completion of the first full year of service by one (1) week for every completed year of service, up to a maximum of 12 weeks. For example, an at-will employee who has completed six (6) years of service would be eligible to receive ten (10) weeks of severance (4 weeks plus 1 week for each year of service). No severance shall be paid if the employee is terminated for serious misconduct involving abuse of his or her office or position, including but not limited to waste, fraud, violation of the law under color of authority, misappropriation of public resources, violence, harassment or discrimination. If the employee is later convicted of a crime involving such abuse of his or her position the employee shall fully reimburse the District as set forth in Government Code section 53243.3.

N. REIMBURSEMENT FOR RELOCATION EXPENSE

The District, in rare instances, may provide a Basic Relocation Benefits Package for new management and confidential employees, upon the approval of the Fire Chief.

The details of the Relocation Expense program are specified in the District’s Relocation Expense policy and all relocation reimbursements shall be subject to the provisions of that policy.

O. GRIEVANCES

Notwithstanding the complaint procedures provided in Chapter 10, Section 6 and/or Section 9 of the District's Policy and Procedure manual, any Management and Confidential employee who is supervised by a Board Appointed Officer and has a grievance against that Board Appointed Officer or regarding the conduct of that Board Appointed Officer shall, following an attempt to resolve the grievance pursuant to Step One (informal discussion), summarize the grievance regarding the Board Appointed Officer in writing and submit it to the Manager of Human Resources for review and resolution using the methods he/she considers appropriate.

P. POLICY AND PROCEDURES

The District's Policies and Procedures will apply, where applicable, to members of the Management and Confidential group. Additionally, members of this group may be invited to participate in discussions regarding revision of sections of the Policy and Procedure manual as it applies to them.

ATTACHMENT B

A. At-Will Positions

Management and Confidential Unit

The intent of this provision under the Management/Confidential Compensation Plan is to designate classifications at the department head and senior professional levels as at-will. The Fire Chief may designate newly created positions at those levels not included on this list as at-will. Existing classifications that shall be at-will include but are not limited to:

- Administrative Services Manager
- Clerk of the Board
- Disaster Response Manager
- EMS Manager
- HR Manager
- IT Manager