



**AMENDMENT TO COMPENSATION AND
TERMS OF EMPLOYMENT**

FOR THE

CONFIDENTIAL EMPLOYEES

EFFECTIVE JULY 1, 2020 through JUNE 30, 2021

(Pursuant to Resolution 2020-###)

The following Sections of the Compensation and Terms of Employment for the Confidential Employees have been amended effective July 1, 2020. All other Terms remain unchanged.

SECTION 2 - SALARIES

2.1 General Increases

Effective July 1, 2017, there will be a three percent (3%) Cost of Living Adjustment for all classifications covered by this resolution.

Effective July 1, 2018, there will be a three percent (3%) Cost of Living Adjustment for all classifications covered by this resolution.

Effective July 1, 2019, there will be a three percent (3%) Cost of Living Adjustment for all classifications covered by this resolution.

The three percent (3.0%) Cost of Living Adjustment for all Confidential classifications scheduled for July 1, 2020 will be deferred and implemented July 1, 2021.

12.1 Retirement Benefit:

A. Tier One Pension

Formula: The City shall provide the full formula of two- and one-half percent (2.5%) at age 55 calculated on the single highest year for local miscellaneous members considered “classic” members of CalPERS.

Member Contribution: Employees in Tier One Pension shall pay the statutory member contribution required by CalPERS, in addition to the cost share requirement described below.

Employee Cost Sharing: Employees in Tier One pension are required to pay two and three-tenths percent (2.3%) of reportable compensation toward the employer contribution for pension in accordance with Government Code Section 20516(a) – Employees Sharing Cost of Additional Benefits for the pension formula enhancement to 2.5% at 55.

In addition to the statutory member contribution and the 2.3% employee cost sharing for employees in Tier One Pension, described above, between July 1, 2020 and June 30, 2021, Tier One Pension employees will pay an additional two percent (2%) toward the City’s pension contribution in accordance with Government Code section 20516(a).

B. Tier Two Pension:

Formula: For eligible employees who are “new members” as defined by Government Code Section 7522.02(f) the City will provide the CalPERS two percent (2%) at age sixty-two (62) formula retirement plan in accordance with Government Code Section 7522.20, calculated on the average of the three highest, consecutive years, in accordance with Government Code Section 7522.32.

Member Contribution: Non-Safety employees in Tier Two Pension shall pay member contributions to the Public Employees’ Retirement System in the amount required by the Public Employee Pension Reform Act (PEPRA), which amount is at least one-half of the total normal costs within the meaning of PEPRA.

Employee Cost Sharing: In addition to the statutory member contribution described above, between July 1, 2020 and June 30, 2021, Tier Two Pension employees will pay an additional two percent (2%) toward the City’s pension contribution in accordance with Government Code section 20516(a).

C. Survivor Benefits

The City shall provide the Third Level of 1959 Survivor’s Benefit for Non-Safety Tier One and Tier Two employees, a benefit for survivors of the employee who is actively employed at the time of death.

The following Sections are added to the Compensation and Terms of Employment for Confidential Employees for the period of July 1, 2020 to June 30, 2021:

SECTION 21 – TEMPORARY SUSPENSION OF APPLICATION OF PERSONNEL RULES SECTION 6.02, NORMAL ADVANCEMENT:

Effective July 1, 2020, salary step increases will be frozen for one year, through June 30, 2021, during which time no employees will receive step increases. Employees shall resume eligibility for step increases on an employee’s step increase eligibility date falling on or after July 1, 2021, at which time each employee will be eligible to advance to the step they would have advanced to had steps not been frozen in FY 2020/21, subject to the terms of City step increase policy.

SECTION 22 – POTENTIAL RESTORATION OF CONCESSIONS DURING THE PERIOD JULY 1, 2020-JUNE 30, 2021:

If, as determined by the final audited financial statements for FY 2019/20, the City does not use its entire Budget Stabilization Reserve in FY 2019/20, including as a result of receiving revenue from Casino San Pablo in excess of five hundred thousand dollars (\$500,000) for the operational period between June 15, 2020 and June 30, 2020, the City will apply Budget Stabilization Reserve funds to offset the FY 2020/21 deficit. Based on the Budget Stabilization Reserve funds applied to the FY 2020/21 deficit in excess of five

hundred thousand dollars (\$500,000), the City will correspondingly reduce concessions by a proportionate amount for all represented and unrepresented employee groups that have participated in labor concessions including the Confidential Employees group. The Confidential Employees group represents 3.1% of labor costs in the City; and therefore 3.1% of the Budget Stabilization Reserve funds available in FY 2020/21 will be used to reduce/eliminate concessions for employees in the Confidential Employees Group.

As permitted based on Budget Stabilization Reserve fund amounts available in FY 2020/21 starting January 2021, on a prospective basis, concessions may be reduced/eliminated in the following order:

- 2% additional cost share towards employer cost of pension
- Deferral of Step Increases
- 3% COLA

If, in January 2021, the City determines that based on the FY 2019/20 final audited financial statements, there are Budget Stabilization Reserve Funds available in FY 2020/21 in excess of \$500,000, and the Confidential Employees' Group proportionate amount (3.1%) is greater than the cost of prospectively restoring concessions for the Confidential Employees Group between January and June 2021, the City will pay the balance, up to the amount of concessions already made between July and December 2020, in the form of one time payments to individual, current employees in the Confidential Employees Group. The one-time payments will only be made to those individual employees whose balance due exceeds one hundred dollars (\$100).