

COMPENSATION PLAN FOR EXECUTIVE MANGEMENT EMPLOYEES

This compensation plan is entered into between the City of Lomita (City) and the Full-Time Executive Management Employees. This plan shall not apply to Lomita City Employees Association represented employees.

ARTICLE 1. APPLICABLE EMPLOYEES

Section 1.1. The following City employees shall constitute the full-time executive management classifications:

Assistant City Manager

City Clerk

Community and Economic Development Director

Deputy City Manager/Administrative Services Director

Parks and Recreation Director

Public Works Director

ARTICLE 2. COMPENSATION AND HOURS

COST OF LIVING ADJUSTMENT (COLA)

Section 2.1a. Effective the first full pay period after July 1, 2025, full-time executive management employees as listed in Article I shall be entitled to a 6% base salary increase. (Exhibit 1)

Section 2.1b. Effective the first full pay period after July 1, 2026, full-time executive management employees as listed in Article I shall be entitled to a 3% base salary increase. (Exhibit 2)

Section 2.1c. Effective the first full pay period after July 1, 2027, full-time executive management employees as listed in Article I shall be entitled to a 3% base salary increase. (Exhibit 3)

SALARY RANGES AND CLASS TITLES

Section 2.2. The following monthly salary ranges are assigned to classes covered by this MOU for the time period of July 1, 2025 through June 30, 2028.

Salary Schedule	Title
52	City Clerk
66	Parks and Recreation Director
68	Community & Economic Development Director
70	Public Works Director
72	Deputy City Manager/Administrative Services Director
74	Assistant City Manager

ARTICLE 3. BENEFITS

INSURANCE CONTRIBUTION (CAFETERIA PLAN)

(Does not apply to part-time employees.)

Section 3.1. The City will contribute based on a sliding scale per Section 4.2 a specific dollar amount each month to each full-time employee to be used toward the purchase of the following benefits for the employee and the employee's dependents:

- Health Insurance
- Dental Insurance
- Vision Insurance
- Life Insurance
- Long Term Care Insurance

Each employee is required to purchase a health insurance plan unless the employee provides evidence of other health insurance coverage.

Commencing July 1, 2005, half (50%) of the total contribution amount as provided by the City for insurance benefits, not used by the employee for such benefits may be contributed to the employee's Mission Square deferred compensation account upon written option by the employee to the Human Resources Office.

CAFETERIA PLAN SUMMARY

Section 3.2. Following the first full pay period starting on July 1, 2025, the City shall increase its contribution to the employee cafeteria plan for benefits including insurance as follows:

Employees with 2+ Dependents for Medical or Dental Insurance

The City shall contribute an additional \$200 per month to the employee cafeteria plan, for a total of \$1,705 per month.

Employees with 1 Dependent for Medical or Dental Insurance

The City shall contribute an additional \$200 per month to the employee cafeteria plan, for a total of \$1,665 per month.

Employee Only for Medical or Dental Insurance

The City shall contribute an additional \$200 per month to the employee cafeteria plan, for a total of \$1,643 per month.

Employees with Spouse Coverage or No Health Insurance through the City

The City shall contribute an additional \$200 per month to the employee cafeteria plan for a total of \$1,620 per month.

Section 3.3. Effective the first full pay period starting on July 1, 2027, the City shall increase its contribution to the employee cafeteria plan for benefits including insurance as follows:

Employees with 2+ Dependents for Medical or Dental Insurance

The City shall contribute an additional \$200 per month to the employee cafeteria plan, for a total of \$1,905 per month.

Employees with 1 Dependent for Medical or Dental Insurance

The City shall contribute an additional \$200 per month to the employee cafeteria plan for a total of \$1,865 per month.

Employee Only for Medical or Dental Insurance

The City shall contribute an additional \$200 per month to the employee cafeteria plan for a total of \$1,843 per month.

Employees with Spouse Coverage or No Health Insurance through the City

The City shall contribute an additional \$200 per month to the employee cafeteria plan for a total of \$1,820 per month.

RETIREMENT AND PRE-TAX OF EMPLOYEE CONTRIBUTIONS

Section 3.4a. Employee Retirement Contributions.

Effective the first full pay period starting after July 1, 2017, all full-time represented employees in the Tier 1 group (2.5%@55 retirement formula) hired prior to February 19, 2012 shall pay the full 8% of the employee's PERS contribution.

Full-time employees in the Tier 2 (2%@60) and Tier 3 (PEPRA – 2%@62) retirement groups pay their full employee contribution, currently 7% for Tier 2 and 50% of the normal cost of retirement for Tier 3. Employee contributions shall continue to be collected on a pre-tax basis.

RETIREMENT COST SHARING

Section 3.4b. Effective the first full pay period starting after July 1, 2018, the parties agree pursuant to Government Code section 20516(a),(f), that each Tier 1 employee shall share the cost of the employer CalPERS contributions at the rate of 0.5% which shall be made through payroll deductions. The .5% cost sharing shall be in addition to the retirement contribution in Section 3.4a. No cost sharing for Tier 2 and 3 employees.

Effective the first full pay period starting after July 1, 2019, the parties agree pursuant to Government Code section 20516(a),(f), that each Tier 1 employee shall share the cost of the employer CalPERS contributions at the rate of an additional 0.5% (for a total of 1%) which shall be made through payroll deductions. The 1% cost sharing shall be in addition to the retirement contribution in Section 3.4a. No cost sharing for Tier 2 and 3 employees.

RETIREMENT FORMULA SUMMARY

Section 3.5. The following table lists the City's 3 retirement tiers and corresponding retirement formula.

Tier	Formula
Tier 1 (those employees hired prior to February 19, 2012)	2.5%@55
Tier 2 (classic members* as defined by PERS and employees hired between February 19, 2012 to December 31, 2012)	2%@60
Tier 3 (PEPRA – those employees hired on or after January 1, 2013)	2%@62

*A classic member is an employee who first established CalPERS membership prior to January 1, 2013, and who is rehired by a different CalPERS employer without a break in service of greater than six months.

Applicable to Tier 1

Final Average Compensation Period – 1 Year

Applicable to Tiers 2 and 3

Final Average Compensation Period – 3 Years

Applicable to All Tiers

Fourth Level 1959 Survivor Benefit – The City will pay all costs associated with this benefit.

RETIREE HEALTH

Section 3.6. Full-time employees hired prior to March 11, 2015 who retire from the City of Lomita shall be eligible for employee-only health coverage. City shall pay employee-only monthly premiums for the employee's preferred plan (based on employee's place of residence and region, e.g., Los Angeles, etc.) from the contracting agencies annual list provided by CalPERS. Upon turning age 65, the City shall pay the Supplement/Managed Medicare Monthly Rate contribution employee-only monthly premiums for the employee's preferred plan from the contracting agencies annual list provided by CalPERS.

For employees (who retire from Lomita) hired prior to April 1, 1986, the City will pay employee-only monthly health care premiums. Employees in this category who are not otherwise qualified and do not pay into Medicare will not have their employee-only monthly health-care premiums reduced to the Supplement/Managed Medicare Monthly Supplement Rate upon turning age 65.

Employees hired on or after March 11, 2015 who retire from the City of Lomita shall be eligible for the Public Employees Medical and Hospital Care Act (PEMHCA) minimum that may be applied towards retiree employee only health insurance cost.

DISABILITY INSURANCE (Does not apply to part-time employees.)

Section 3.7. For competitive service employees, probationary employees, and members of the Administrative Services Unit or Field Services Unit, the City shall provide and pay for short-term and long-term disability insurance.

WORKERS' COMPENSATION

Section 3.8. In the event that a regular employee incurs a job-related accident or injury while in the conduct of official City business, the employee may integrate his/her Workers' Compensation payments with the use of sick leave and/or vacation leave. During any pay period, the sum of the workers' compensation payments, sick leave, and vacation leave cannot be greater than the employee's salary.

DEFERRED COMPENSATION AND MISSION SQUARE RETIREMENT DEFERRED COMPENSATION LOAN PROGRAM

Section 3.9. All City employees are eligible for the Deferred Compensation Program. All contributions will be made by the employees, except as provided in Section 4.1.

Section 3.10. Employees have the option to participate in the Mission Square Retirement employee loan program relative to the City's deferred compensation program. Employees wishing to participate in the program may apply directly to Mission Square Retirement and will be subject to their requirements. Under current guidelines, employees may not borrow greater than $\frac{1}{2}$ of their fund balance and would be required to pay any loan balance upon separation from the City.

RETIREMENT HEALTH SAVINGS

Section 3.11. Executive Management employees will be enrolled in the City's Retirement Health Savings (RHS) at the first of the month following date of hire. The City will contribute one (1) percent of base salary for each employee. Employees will contribute \$5,000 (or \$208.33 per pay period based on 24 pay periods per year) annually.

FLEXIBLE SPENDING ACCOUNT

Section 3.12. The City will provide employees a voluntary "Flexible Spending Account". The Flexible Spending Account is offered pursuant to provision of Section 125 of the Internal Revenue Code. This account has been established to permit employees to pay for certain authorized expenses such as health insurance premium co-pays, health insurance deductible, and child care services from pre-tax dollars. (a) Enrollment in the Plan for current employees is required every Plan Year and is limited to the annual open enrollment period or no later than sixty (60) days following the date of becoming eligible due to a mid-year Change in Status event. (b) Eligible employees may contribute, on a pre-tax basis, to a flexible spending account, each bi-weekly pay period up to the established amount pursuant to the IRC annual maximum. An employee election to participate in the Plan shall be irrevocable for the remainder of the Plan year. Once a

salary reduction has begun, in no event will changes to elections or discontinuation of contributions be permitted during the Plan year except to the extent permitted under Internal Revenue Service rulings and regulations and with the City's Plan Document. (c) Any unused amounts remaining in an employee's account at the end of the Plan Year must be forfeited except that the City may permit an employee to carry over unused amounts to be used in the following Plan Year in accordance with the City's Medical Expense Reimbursement Plan Document and the IRC regulations.

WELLNESS STIPEND

Section 3.13. Employees will be provided an annual stipend of \$150 towards wellness related programs. These include a health club membership, smoking cessation, weight loss, fitness trackers, stress management programs, mental health assessments and/or screenings, etc. The City Manager and/or his designee shall make determinations for items not listed.

TRAINING OF EMPLOYEES

Section 3.14. (Tuition reimbursement does not apply to part-time employees.) Purpose of Training Program and Policy. It is the Policy of the City of Lomita to develop maximum efficiency in the performance of official duties by City employees by providing for the training of employees in the performance of their official duties, and by assisting them in fulfillment of their duties and responsibilities as well-informed citizens of the community.

The Personnel Officer shall monitor training programs, provide support and assistance to department directors in the administration of internal training programs, and submit recommendations to the City Manager. The development of a continuous program of post-entry training as a part of the normal operation of City administration shall be encouraged. All other things being equal, priority consideration shall be given to training opportunities sponsored by and conducted within the City.

Tuition Reimbursement. The City will provide to employees up to \$2,000 per fiscal year per employee for tuition reimbursement for courses which relate to their job assignment, or when they are pursuing a degree in a major with potential value to the City. The completion date of the class shall be used in determining the fiscal year in which the benefit shall apply. To be eligible, an employee must be a regular employee and have completed at least one year of service with the City; receive no other duplicate benefits under any student aid programs; receive prior written approvals by the employee's supervisor on a form approved by the City Manager before registering for class, provide the Personnel Officer with evidence of satisfactory completion of a course within thirty (30) days (a "C" grade or better or a "pass" in a pass/fail grading system); and forward to the Personnel Officer all classroom materials for which City reimbursement is being requested.

The City may withhold from an employee's final paycheck sums equal to any amounts which have been reimbursed after course completion if an employee resigns or retires prior to two years per the schedule below.

Effective July 1, 2016, Employees who separate from the City prior to two years after receiving such reimbursement shall pay back the City at the following ratios: 1) Between 0 and 6 months – 100%; 2) Between 6 months and 1 year – 75%; and 3) Between 1 year and 2 years – 50%.

GROUP LIFE INSURANCE POLICY

Section 3.15. The City shall provide a group life insurance policy to all represented and non-represented employees in the amount of fifty thousand dollars (\$50,000). New hires will be eligible for this benefit on the first of the month following employment.

ARTICLE 4. VACATION AND LEAVE

ANNUAL VACATION ACCRUAL RATE

Section 4.1. Vacation Leave Accrual. Paid vacation leave for the positions listed below shall accrue based on combined years of full-time employment with the City and with other public agencies (e.g., cities, counties, public utilities, special districts, etc.). Paid vacation shall accrue for department directors, on a bi-weekly basis, at the rates shown below:

Service Years 1-5:

During the first five years of service, eligible positions as listed above shall earn vacation leave with pay from the first date of employment at the rate of ten (10) days each year. Probationary employees (other than promotional probationary employees) cannot use paid vacation unless otherwise authorized by the City Manager. Thus, for every one year of service through the fifth year of service, such employee is entitled to eighty (80) paid vacation hours annually.

Service Years 6-20:

Beginning with the sixth year, eligible positions as listed above shall earn vacation at the rates, in days per year, shown below:

Years of Service	Annual Vacation Hours
0-5	80
5+-9	120
10-14	160
15-20	200
20+	240

Service Years 20 and thereafter:

Beginning with the twentieth year of service such employees shall earn vacation at the rate of 240 hours each year.

VACATION LEAVE BALANCE, ACCRUAL AND CESSATION OF ACCRUAL

Section 4.2. No employee may accumulate more than 320 hours of vacation. The City will notify any employee approaching the maximum accumulation. An employee will stop accruing vacation leave when his or her accumulated vacation balance reaches 320 hours. An employee shall not accrue additional vacation leave until the employee uses vacation time and his or her accumulated vacation leave balance again falls below 320 hours. Vacation leave should be used when possible within the year following the year in which it is earned. When an employee leaves City service the balance of any earned and unused vacation days will be paid at the employee's current rate of pay.

MANAGEMENT LEAVE

Section 4.3. The positions of Deputy City Manager/Administrative Services Director, Assistant City Manager, City Clerk, Community and Economic Development Director, Parks and Recreation Director, and Public Works Director, will receive seventy-two (72) hours of management leave each calendar year. The full seventy-two (72) hours shall be credited to the employees in January of each year.

Management leave may be taken as time off with pay during the year. Any unused management leave will be paid off on the last payday in December of each year. New employees, who are eligible for this leave, shall accrue management leave on the first of the month following the date of employment. The amount accrued in the first year of employment shall be on a prorated basis.

HOLIDAYS (DOES NOT APPLY TO PART-TIME EMPLOYEES)

Section 4.4. Employees shall have the following holidays as vacation with pay:

- New Year's Day (January 1st)
- Martin Luther King Day (3rd Monday in January)
- President's Day (3rd Monday in February)
- Memorial Day (last Monday in May)
- Independence Day (July 4th)
- Labor Day (1st Monday in September)
- Veteran's Day (November 11th)
- Thanksgiving Day (4th Thursday in November)
- Friday after Thanksgiving
- Christmas Eve (1/2 day)
- Christmas Day (December 25th)
- Up to four working days from December 26 to December 31 during the holiday closure (see Section 5.7 - Holiday Closure).
- Two Personal Holiday (Floating)

PERSONAL HOLIDAY LEAVE BANK

Section 4.45. No employee may accumulate more than 80 hours of personal holiday leave. The City will notify any employee approaching the maximum accumulation. An employee will stop accruing personal holiday leave when his or her accumulated balance reaches 80 hours. An employee shall not accrue additional personal holiday leave until the employee uses such time and his or her accumulated personal holiday leave balance again falls below 80 hours. When an employee leaves City service the balance of any earned and unused personal holiday leave will be paid at the employee's current rate of pay.

HOLIDAY CLOSURE

Section 4.5. Starting in 2016, the City will be closed between December 25 and January 1. Starting in 2016, Columbus Day will no longer be a recognized city holiday and

starting in 2017, Lincoln's Birthday will no longer be a recognized city holiday. The City will provide up to four days of paid vacation during the closure. Should a particular year include only 3 working days between Christmas Day and New Year's Day, each employee will be credited with one floating holiday.

SICK LEAVE

Section 4.6. Sick Leave Generally. The granting of sick leave shall be determined by the following rules:

- 1) Sick leave with pay for employees shall accrue in accordance with Subsection (4) below.
- 2) In addition to the reasons identified in Subsection (4) below, an employee eligible for sick leave with pay shall be granted such leave for the following reasons:
 - a) Personal illness or physical incapacity.
 - b) Enforced quarantine of the employee in accordance with community health regulations.
 - c) Doctor and dental appointments.
 - d) Maternity leave. Employees shall be able to apply sick leave to maternity leave in the amount of their accrued sick leave to date. An employee may only use sick pay for the period of medical disability.
 - e) Paternity leave up to a maximum of forty hours per individual situation.
- 3) Sick leave may not be taken until after it has been accrued.
- 4) Competitive service employees, probationary employees, and members of the Association, shall accrue sick leave with pay, on a bi-weekly basis, at a rate of 9 hours for each month of employee service, and any such leave accrued but unused in any year shall be credited to the following year. Observed holidays occurring during the sick leave shall not be counted as a day of such leave. Sick leave is not a right which an employee may use at his/her discretion. Accumulated sick leave may only be used in case of necessity and actual personal sickness or disability, or up to twelve days of accumulated sick leave per fiscal year may be used to care for the employee's ill child, spouse, parent, parent-in-law, registered domestic partner, sibling or grandparent.
 - a) An employee must call within thirty (30) minutes after the regular starting time of his/her assigned shift and report to his/her supervisor.
 - b) Except in extraordinary circumstances, failure to call within the thirty (30) minute time limit is a basis for denying use of sick leave.
 - c) Sick leave pay will not be granted to an employee who fails to call as directed, even if accrued, unused sick leave is available.
 - d) A doctor's statement will be required prior to returning to work if an employee is absent for three (3) days or more.
 - e) Failure to validate an absence in Sub-Paragraph (4)(d) above with a doctor's statement is grounds for denying use of sick leave. The employee has an obligation to keep his/her supervisor informed as to his/her condition and whereabouts at all times.

- f) Any employee who misses work due to illness or injury, shall, upon return to work, fill out an absence report indicating his/her illness or injury and the reason he or she felt they could not report for work.
 - g) In cases of suspected abuse of sick leave, a supervisor may require a doctor's statement for any illness. Continued abuse will be cause for discipline.
- 5) Once an employee has accumulated 480 hours of sick leave, the City may thereafter at the option of the City and employee, each year, elect to buy back one-half of each year's accumulated sick leave. The compensation will be equal to the employee's usual straight time hourly rate of pay times the number of hours bought back.

SICK LEAVE DONATION POLICY

Section 4.7. Per the Personnel Rules (currently Section 5.3, paragraph 2)

FAMILY CARE LEAVE (Does not apply to part-time employees.)

Section 4.8. Per page 67 of the Personnel Rules (Family and Medical Care Leave Policy).

BEREAVEMENT LEAVE (Does not apply to part-time employees)

Section 4.9. Competitive service employees, probationary employees, members of the Association are eligible for bereavement leave. Employees shall be eligible for a maximum of five (5) paid days of bereavement leave for the death of a member of the employee's immediate family.

Employees may substitute their accumulated vacation/comp time leave, personal leave, and/or available sick leave for unpaid bereavement days. Bereavement leave shall be completed within three (3) months of the date of death of a family member and leave days need not be taken consecutively. Immediate family is limited to a parent, stepparent, spouse, child, stepchild, brother, sister, uncle, aunt, mother-in-law, father-in-law, grandfather, grandmother, grandchild, son-in-law or daughter-in-law, domestic partner, regardless of residence.

If an employee is required to be absent beyond the maximum number of days listed above, additional days must be charged against accumulated vacation/comp time leave.

The employee, if requested by manager or human resources, within 30 days of the first day of the leave, shall provide documentation of the death of the family member. Documentation includes, but is not limited to, a death certificate, a published obituary, or written verification of death, burial, or memorial services from a mortuary, funeral home, burial society, crematorium, religious institution, or governmental agency.

MILITARY LEAVE

Section 4.10. Military leave shall be granted in accordance with the provisions of Chapter 7, Division 2, Part I, of the California Military and Veterans' Code. All

employees entitled to military leave shall give the appointing authority an opportunity within the limits of military regulations to determine when such leave shall be taken.

JURY DUTY LEAVE (Does not apply to part-time employees)

Section 4.11. Employees required to serve as a juror shall be compensated for the difference between their normal salary and the compensation for jury duty, less travel pay, during the period of such service, provided that the employee does not serve more than once in any calendar year. To be eligible for City compensated jury duty leave, employees must provide the Personnel Officer with evidence of jury duty service, including the hours and days thereof, from the Court. In the event such evidence is not provided, any time missed may be deducted from the employee's vacation time or offset from future earnings. During their jury duty leave, night shift employees will be transferred to the day shift.

Deposit in the United States mail of a first-class letter, postage paid, addressed to the employee's last known place of residence, shall be reasonable notice.

CERTIFICATION POLICY

Section 4.12. For certifications required by a particular Classification Specification as a condition of employment, the employee shall be required to possess and maintain the certification upon entering the classification or for existing employees shall be allowed up to 12 months to acquire and maintain the certification from adoption/approval of this policy, promotion or change to any approved job classification. If the certification is not acquired within the specified time the employee may be demoted to a lower classification within that job family or to a vacant position for which they are qualified, whichever is available. If there are no vacant positions, he/she may be ultimately terminated from City service.

The City shall make every effort to pay for any training, exam fees, work time to study (as operations permit), etc., to those employees who need to obtain any outstanding certifications.

TRANSPORTATION ALLOWANCE

Section 4.13. The City shall provide Executive Management staff with a monthly transportation allowance of \$250 to cover the costs associated with the use of transportation for official business.

The allowance can be utilized for various types of transportation utilized by the Executive Management staff, including personal vehicle, public transportation, bicycle, scooters, or micro-mobility options.

The monthly allowance shall be provided in lieu of the Executive Management staff claiming individual expenses for routine local business travel.

The monthly allowance is considered a taxable benefit reported as income by the City.

Executive Management staff using personal vehicles must maintain a valid driver's license and minimum liability insurance coverage as required by state law and organizational standards. Such employees are responsible for any personal fines or violations incurred during travel.

CELL PHONE ALLOWANCE

Section 4.14. The City shall provide all executive management employees with a cell phone allowance in the amount of \$50 per month. The City cannot pay excess of the approved allowance.

The employee agrees to the following terms and conditions for receipt of the City's cell phone allowance:

1. The employee must maintain cell phone service to remain eligible for the monthly allowance provided by the City. Employees may be required to provide documentation, upon request, to verify continued ownership and business use of a cell phone to maintain the monthly allowance. Failure to supply such documentation upon request may result in termination of the cell phone allowance.
2. Employees receiving an allowance are expected to be available via cell phone during normal business hours, as the workload requires, per schedule, while on-call duty, in emergency situations, or as agreed upon with their supervisor.
3. Employees receiving a cell phone allowance shall provide their cell number and any subsequent changes to the number to their department director or supervisor within three days of such change.
4. Employees receiving an allowance are responsible for purchase, replacement, and/or repair of their cell phones, accessories and equipment.
5. Cell phone allowances are considered taxable income by the IRS and the City will include such as taxable compensation on the employee's W-2.

CITY MANAGER BONUS AWARD

The City Manager may provide compensation to a Department Head/Director for meritorious job performance. The Bonus Award may be granted by the City Manager to a Department Head who consistently demonstrates performance above and beyond the level required for normal job performance. The award may be given only once in any twelve (12) month period and cannot exceed \$2,500. The City Manager will determine the amount of the award.

To be eligible, the Department Head must have worked for the city for at least 12 months.

Department Heads are considered for an award based upon their demonstration of the following criteria: job enthusiasm, loyalty toward the city and community, commitment to customer service, support for teamwork, overall work ethic, achieving desired outcomes, meeting or making significant progress toward department goals, innovation, and resolving an important issue.

ARTICLE 5. SAVINGS CLAUSE

Section 5.1. Should any provision of this agreement, or an application thereof, be unlawful by virtue of any federal, state, or local laws and regulations, or by court decision, such provision shall be effective and implemented only to the extent permitted by law, regulation, or court decision. But in all other respects, the provisions shall continue in full force and effect.