

# **Compensation and Benefits Profile**

**For**

**City of Ontario**

**Executive  
Management  
Employees**

**August 15, 2023**



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## **Article I. ADMINISTRATION**

### **Section 1.01 Introduction**

The Executive Management Compensation/Benefit Profile is a summary of benefits and compensation practices adopted by the City Council over several years to be applied on an ongoing basis. The provisions of this document apply to all employees appointed to Executive Management positions (hereinafter known as employee); and all elected officials to the extent the provisions are not in conflict with governing statutes.

This document sets forth policies and procedures to follow in implementing and administering this Executive Management Compensation/Benefit program. The various sections and provisions of the Government Code, Municipal Code, Personnel Rules and Regulations, and the "Employment Policies" in the City's Online Policy Center in effect and applicable to the above-mentioned positions will remain in effect unless expressly superseded by provisions within this document.

The terms and conditions of employment for the City Manager and other Executive Management employees may also be addressed in individual employment contracts. Such contracts are considered to be supplemental to this document to address terms and conditions of employment that may not be addressed in this document. However, if an individual's employment agreement is in conflict with this document, then the provisions of the agreement will supersede the provisions of this document.

Employees in Executive Management positions are considered to serve at the will and pleasure of the City Manager. The appointment of a person to a position in the Executive Management Group will not require the establishment of an eligibility list. Appointment and termination actions relating to the Police Chief and Fire Chief positions are subject to confirmation by the City Council.

### **Section 1.02 Purpose**

Persons employed in Executive Management positions are not represented by an employee organization.

This Executive Management Compensation/Benefit Profile is intended as a comprehensive document to define and describe the forms and amounts of compensation and benefits for Executive Management employees and elected officials. This comprehensive document is intended to reflect all City Council actions in effect relating to the Executive Management Compensation Program.

The various forms of compensation and benefits described in this comprehensive document recognize that employees in Executive Management positions should be compensated appropriately for exhibiting accountability, cost effectiveness, application of new technologies and maximizing the utilization of human, physical and fiscal resources; for exerting leadership to enhance the mission and future of the City; and for stimulating the development of people and methods which will facilitate the meeting of program goals and objectives.

**Section 1.03 Objectives of the Plan Relative to Executive Management**

- A. Recruit and retain expert and resourceful Executive Managers and enhance their management capabilities in areas such as leadership and accountability.
- B. Facilitate and enhance effectiveness and productive efforts of Executive Managers through evaluations of performance and the recognition of merit in determining compensation.
- C. Enable the City Manager, who is in the best position to judge merit and value to the City of an Executive Management employee’s performance, to appropriately compensate Executive Management employees in recognition of such value.

**Article II. COMPENSATION**

**Section 2.01 Pay Plan and Benefit Review**

Salary and benefit levels will be reviewed on a periodic basis. Such review will contain comparisons with other similar agencies within the appropriate job market. Such comparisons will be utilized to recommend competitive salary and benefit levels for Executive Management positions. Salary and benefit levels for individual positions may be adjusted from time-to-time, with the approval of the City Council (or City Manager, if appointed as its designee).

**Section 2.02 Compensation Adjustment**

- A. Compensation and benefit levels for positions in this group may be modified from time to time by the City Council by amendment to this document, or by the City Manager as authorized by the City Council.
- B. Effective August 15, 2023, the City adopted a compensation grade table for Executive Management classifications. Each classification is associated with a specific compensation grade as identified in Appendix A.
- C. The City Manager shall assign each Executive Management classification, excluding the City Manager classification, to a compensation grade consistent with Section 2.01. Salary compensation for the City Manager classification shall be determined by the City Council.
- D. The City Manager is responsible for determining each individual employee’s salary rate within the assigned salary range. Such determination will be based on job performance and/or other competitive and economic factors.
- E. The Ontario Municipal Code provides that the City Council determine the City Manager's salary compensation range by resolution. Consistent with California Government Code Section 36506, the City Council shall also determine the compensation range of appointive officers including the Police Chief and Fire Chief.
- F. Salary compensation for elected officials of the City is determined in accordance with Ontario Municipal Code provisions and State law. Elected officials may also receive

compensation for attendance at meetings of the Ontario Housing Authority and other applicable boards as authorized. Such compensation is determined by the City Council by resolution or ordinance and may be reviewed on a periodic basis.

### **Section 2.03 Management Incentive Pay**

Public Safety Executive Management classifications, Police Chief and Fire Chief, shall receive Management Incentive Pay at the rate of five (5) hours per pay period, for a total of one hundred and thirty hours (130) per calendar year in recognition of their full-time duties performed during normal working hours that pertain to the unique nature of their job. Such hours shall not be used as time off and shall be paid as salary compensation at the employee's base rate of pay.

### **Section 2.04 Pay For Performance**

Employees in the Executive Management Group shall be eligible for Pay for Performance Bonus designed, as part of the annual evaluation process, to reward either singular achievement during the course of the evaluation year or superlative overall achievement. Examples include but are not limited to the completion of a major assigned project on time or under budget; enabling significant cost savings to the City; or making significant improvements to the efficiency of established practices.

Employees whose base salary compensation is below the maximum of their classification's assigned compensation range will be eligible for a combination of a merit increase (up to the range's maximum) and one-time non-PERSable bonuses that do not exceed an amount that is five (5) percent above the annual maximum base compensation for their classification. Employees whose base salary compensation is at the maximum of their classification's assigned compensation range will be eligible for one-time non-PERSable bonuses that do not exceed an amount that is five (5) percent above the annual maximum base compensation for their classification. Additionally, a one-time non-PERSable bonus, from one (1) to five (5) percent can be awarded in lieu of a merit increase.

Any bonus granted under this program is at the sole discretion of the City Manager. Any bonus awarded under this program, is one time and is not considered part of base salary, nor is there any intention that any bonus serve as the basis for any future compensation.

## **Article III. BENEFITS**

### **Section 3.01 Health Insurance Contribution**

Active and retired employees and elected officials are eligible to participate in the City health insurance program. The City contributes up to a maximum of \$563 per month toward health insurance premiums for active and retired employees and elected officials. This amount is inclusive of the minimum statutory employer contribution under the Public Employees' Medical and Hospital Care Act (PEMHCA) for active employees, retired employees, and elected officials who choose to enroll in the City's medical plan. The contribution rate is provided to cover actual premium costs based upon the enrolment of the employee or elected official and eligible dependents.

Retirees from the position of Fire Chief hired into a regular position prior to July 1, 2012, shall receive a reimbursement from the City that will provide the same amount of retiree medical contributions as for retirees from the Fire Management Group hired prior to July 1, 2012.

Retirees from the position of Police Chief hired into a regular position prior to July 1, 2012, shall receive a reimbursement from the City that will provide the same amount of retiree medical contribution as for retirees from the Police Management Group hired prior to July 1, 2012.

### **Section 3.02 City Contributions to Cafeteria Plan Benefits**

- A. The City will maintain an IRS Code Section 125 qualifying Cafeteria Plan to allow employees and elected officials to pay for pre-tax medical, dental and vision benefits.
- B. The active Fire Chief shall receive the same contribution toward medical insurance premiums as active employees in the Fire Management Group, but not less than the amount provided to other Executive Group employees.
- C. The active Police Chief shall receive the same contribution toward medical insurance premiums as active employees in the Police Management Group, but not less than the amount provided to other Executive Group employees.
- D. Employees or elected officials must enroll in a City offered medical insurance plan unless the employee or elected official satisfies conditions of the eligible opt out arrangement. If an employee elects to opt out of coverage offered by the City, the employee must provide proof of "minimum essential coverage" (as defined by the Affordable Care Act) through another source (other than coverage in the individual market, whether or not obtained through Covered California) per Section 3.02 (I).

**City Contributions:** Active employees and elected officials enrolled in medical coverage will receive a Cafeteria Plan Contribution of \$1,300 per month, inclusive of the Health Insurance Contribution set forth in Section 3.01. Only those eligible employees enrolled with a monthly City contribution of less than \$1,300 per month may take the remainder of the City's contribution as cash. For elected officials, any unapplied amounts will be directed to the deferred compensation 401(a) plan.

- E. Beginning, January 1, 2018, for eligible employees and elected officials who enroll in coverage, the monthly City Contribution, inclusive of the Health Insurance Contribution set forth in Section 3.01, shall be equal to the corresponding Kaiser plan premium for the region in which the employee or elected official is enrolled and as reflected on the CalPERS monthly billing statement and shall not be less than \$1,300 per month.
- F. Beginning January 1, 2018, only those eligible employees enrolled in coverage with a monthly City contribution of \$1,300 per month may take the remainder of the City's Contribution as cash. For elected officials, any unapplied amounts will be directed to the deferred compensation 401(a) plan.
- G. Beginning January 1, 2024, eligible employees and elected officials who enroll in coverage, the monthly City Contribution, inclusive of the Health Insurance Contribution set forth in Section 3.01, shall be the greater of the average of the monthly premium amounts for the CalPERS Health Plans for the region that includes the City of Ontario; or equal to

the corresponding Kaiser plan premium for the employee or elected official is enrolled and as reflected on the CalPERS monthly billing statement ; and shall not be less than \$1,300 per month.

- H. If payments for the individual employee or elected official's selected benefits exceed the City Contribution, the balance will be paid by salary deductions from the pay of the individual employee or elected official.
- I. **Cash-in-Lieu Option:** An Eligible Employee or Elected Official will be eligible to receive cash-in lieu of \$1,300 per month instead of enrolling in a City offered medical insurance plan only if the following conditions are satisfied:
1. The employee or elected official signs a form attesting that the employee or elected official and the employee or elected official's Tax Family have the Alternative Required Coverage for the Opt-Out Period.
    - a. Tax Family means all individuals for whom the employee or elected official intends to claim a personal exemption deduction for the taxable year or years that begin or end in or with the City's plan year to which the opt out applies.
    - b. Alternative Required Coverage required means minimum essential coverage through another source (other than coverage in the individual market, whether or not obtained through Covered California).
    - c. Opt-Out Period means the plan year to which the opt-out arrangement applies.
  2. An employee or elected official must provide the attestation every plan year at open enrollment or within 30 days after the start of the plan year for each plan year the employee or elected official would like to receive cash in lieu.
  3. The cash in lieu payment cannot be made and the City will not in fact make payment if the City knows or has reason to know that the employee, elected official or a Tax Family member does not have such alternative coverage, or if the conditions in this Section) are not otherwise satisfied.

### **Section 3.03      Dental Insurance**

The City will contribute the full premium amount toward the cost of coverage the individual and eligible dependents in the City's Executive Dental Plan for active employees and elected officials. Employees or elected officials who do not enroll in the City Executive Dental Plan will not receive employer contribution for dental premiums.

### **Section 3.04      Vision Care Insurance**

The City will contribute the full premium amount toward the cost of coverage for the individual and eligible dependents in the City's Executive Vision Program for active employees and elected officials. Employees and elected officials who do not enroll in the Executive City Vision Plan will not receive employer contributions for vision premiums.

**Section 3.05 Short-Term and Long-Term Disability**

The City will contribute the full premium amount toward the cost of coverage for the individuals in the City designated short-term and long-term disability programs for active employees.

**Section 3.06 Life Insurance**

The City will contribute the full premium amount toward the cost of group term life insurance coverage in the amount of \$106,000 for basic life and \$109,000 for accidental death or dismemberment for active employees and elected officials with the exception of the employees in the Police Chief and Fire Chief classifications.

For employees in the Police Chief classification, the City will contribute the full premium amount toward the cost of group term life insurance coverage equal to the basic life insurance and accidental death and dismemberment insurance provided to employees in the Ontario Police Management Group but not less than the amount provided to other Executive Group employees.

For employees in the Fire Chief classification, the City will contribute the full premium amount toward the cost of group term life insurance coverage equal to the basic life insurance and accidental death and dismemberment insurance provided to employees in the Ontario Fire Management Group but not less than the amount provided to other Executive Group employees.

**Section 3.07 Employee Assistance Program**

The City maintains an employee assistance program for active employees and elected officials. Confidentiality regarding employee and elected official use of this program will be maintained in full compliance with State and Federal Regulations.

**Section 3.08 Deferred Compensation**

- A. Active employees and elected officials may voluntarily contribute to the City's 457(b) deferred compensation plan in accordance with plan provisions.
- B. The City has established a 401(a) money purchase plan for employer deferred compensation contributions. The City will make the following contributions to the extent permitted by law:
  1. For active employees, The City will contribute 8% of the employee's base salary, up to the maximum amount established by the relevant sections of the tax codes.
  2. For elected officials, any excess fringe benefit contributions not used for medical or dental premiums shall be contributed to the 401(a) plan.
  3. For elected officials who do not elect to become a member of the CalPERS retirement plan pursuant to Government Code Section 20322, any eligible contribution amount that the City's pays on the elected official's behalf shall be contributed to the 401(a) plan.

**Section 3.09 Vehicle Expense Reimbursement Allowance**

- A. From time-to-time the City Manager may assign a City-owned vehicle to an individual employee in an Executive Management position. Positions in this group not assigned



a vehicle may receive a monthly stipend of \$600 as reimbursement for use of the individual's private vehicle for City business. The City Manager may adjust such stipend in accordance with levels of activity and operational necessity by group or individual position.

- B. The City Manager may be assigned a City-owned vehicle. Alternatively, the City Manager may receive a monthly stipend as reimbursement for use of the individual's private vehicle for City business in accordance with the employee's employment contract. The Mayor shall be eligible to receive the same monthly stipend as reimbursement for the use of the Mayor's private vehicle as is available to the City Manager.

### **Section 3.10 Expense Reimbursement**

- A. In situations where expenses are incurred on a frequent or regular basis, the City Manager may designate a monthly reimbursement amount to cover such ongoing expenses. It is the individual's responsibility to maintain appropriate records of such expenses.
- B. Elected officials are eligible to receive designated allowance amounts in recognition of expenses incurred on a regular basis. Elected officials are eligible for reimbursement of expenses incurred on City business in accordance with the City's Travel Policy.
- C. Elected officials are eligible to receive electronic communication devices provided by the City, including cellular phones, facsimile machines, pagers, personal digital assistants (PDA), portable personal computers, and other wireless communications devices. City-provided devices shall remain the property of the City. The City shall be responsible for the initial connection fees and on-going fixed-rate basic service costs related to such devices. The City will also provide fixed-rate internet access, including telephone service costs, for elected officials for the purpose of sending and receiving electronic mail messages related to City business and to provide access to City computer networks. Elected officials shall incur any other variable service charges related to City and personal use of such devices and shall receive an allowance of \$175 per month, as reimbursement for the charges incurred for City business.
- D. Active Executive Management employees and elected officials shall be eligible for City reimbursement of medical, dental or vision care expenses that are not covered by the City's group plans incurred for themselves and their dependents. To be eligible, such expenses must have been incurred for medical, dental, or vision care expenses for the employee or elected official and the employee's dependents who are currently enrolled in any of the City's group plans. Such expenses may include plan premiums, deductibles, co-payments and other related expenses, including the expenses related to an annual physical examination. Payments shall not cover transportation expenses related to medical, dental or vision care. Each active Executive Management employee and elected official may receive a maximum amount of \$2,500 each calendar year. Reimbursements or direct payments shall be made based on submitted invoices, bills, receipts or other documentation that shows proof of payment.

### **Section 3.11 Flexible Spending Account**

Active employees and elected officials shall be eligible to participate in the City's Flexible Spending Account (FSA) plan. An FSA allows an employee or elected official to make pre-tax

deduction for qualifying medical, dental and vision expenses or dependent care expenses. The plan is established and administered in accordance with Section 125 of the Internal Revenue Service Code.

### **Section 3.12 Uniform Allowance**

Safety employees of the group who wear their uniforms in public ceremonies or for operational necessity are entitled to a uniform allowance equal to that received by comparable safety management employees. Specifically, the Fire Chief shall receive \$2,600 annually in the second paycheck in July for the purchase and maintenance of uniforms. The Police Chief shall receive \$950 annually in the first paycheck in November for the maintenance, cleaning, and normal repair of uniforms.

### **Section 3.13 Service Weapon Upon Retirement or Honorable Resignation**

Upon retirement or honorable resignation, the Police Chief has the option to purchase the employee's service weapon under the same conditions and procedures in effect for all other police safety personnel.

## **Article IV. RETIREMENT/END OF SERVICE**

### **Section 4.01 CalPERS Contribution**

#### **A. Classic Member**

1. A classic member is defined as an individual who meets the definition of "classic" member for purposes of retirement pension benefits in accordance with the Public Employees Pension Reform Act of 2013. Generally, this includes individuals that were hired before January 1, 2013, in the California Public Employees Retirement System (CalPERS) or a reciprocal retirement system with no break in service longer than six months. CalPERS ultimately determines who is a classic member in compliance with the law.
2. Classic miscellaneous CalPERS members shall be eligible for the 2.5% @ 55 Full and Modified Formula of Local Miscellaneous Members including integration with Social Security. This also includes the optional benefit of Government Code Section 20042, Highest Single Year.
3. All miscellaneous classic members shall pay the employee's contribution of eight (8%) percent as a pre-tax deduction to CalPERS.
4. Classic safety CalPERS members shall be eligible for the 3% @ 50 Full and Modified Formula of Local Safety Members. This also includes the optional benefit of Government Code Section 20042, Highest Single Year.
5. The Police Chief, safety classic members, shall pay the same employee contribution as employees in the Police Management Group as a pre-tax deduction to CalPERS.

6. The Fire Chief, safety classic members, shall pay the same employee contribution as employees in the Fire Management Group as a pre-tax deduction to CalPERS.

#### B. New Member

1. A new member is defined as an individual who meets the definition of “new” member for purposes of retirement pension benefits pursuant to the Public Employees Pension Reform Act of 2013. Generally, this includes individuals that were hired into a regular position on or after January 1, 2013, or former members who have more than a six-month break in service. CalPERS ultimately determines who is a new member in compliance with the law.
2. New miscellaneous members shall be eligible for the 2% @ 62 Formula for Local Miscellaneous Members including integration with Social Security.
3. The employee contribution for new miscellaneous members shall be one-half the normal cost, as determined by CalPERS. As of July 2013, the required employee contribution of new miscellaneous members is 6.25%. This amount will be adjusted periodically by CalPERS.
4. New safety members shall be eligible for the 2.7% @ 57 Formula for Local Safety Members.
5. The employee contribution of new safety members shall be one-half the normal cost, as determined by CalPERS. As of July 2013, the required employee contribution of new fire safety members is 11.25%. The required employee contribution of the new police safety members is 12.75%. This amount will be adjusted periodically by CalPERS.

#### C. Elected Officials

1. Elected officials are eligible for membership in CalPERS under the City's Miscellaneous Employees Group contract with CalPERS. CalPERS membership is optional for elected officials per Government Code Section 20322.
2. The City will pay the 8% (of salary) employee's contribution on behalf of elected officials who elect CalPERS membership. If membership is declined, the City will contribute an equal amount into a 401(a) money purchase plan.

### **Section 4.02 Post-Termination Compensation**

In recognition that appointed Executive Management employees serve at the will and pleasure of the City Manager, the City Manager may extend the compensation and benefits of employees whom are terminated from City employment. The period of such post-termination compensation shall be determined by the City Manager and may be included in the terms of a contractual agreement between the employee and the City made at the time the individual is hired or promoted.

**Section 4.03 Continuation of Health Benefits/Life Benefits**

Only certain specified employees hired prior to November 10, 1995, and whose rights were vested pursuant to authorization granted to the City Manager by Resolution No. 95-122, are eligible for this benefit. For such specified Executive Management employees, continuation of insurance coverage shall be subject to the following conditions. Additionally, the provisions of Government Code Sections 53201 and 53208.5 shall apply and shall supersede these conditions to the extent there are any conflicts.

“Upon termination of City service, the City will upon request, continue health benefits or life insurance for individuals covered by this document. Such coverage may be in the form of PERS Health if applicable, or any other available equivalent health or life insurance plan. Eligibility is determined by no less than five years of executive level City service or one consecutive full four-year term in office.

This provision does not preclude individuals from participating in the PERS Health Plan, if eligible. The continuation of this program will be reviewed on an on-going basis relative to cost and levels of participation.”

**Section 4.04 Health and Wellness Reimbursement**

Effective July 1, 2024, employees shall be reimbursed up to \$1,000 each fiscal year for eligible health and wellness related expenses incurred for themselves and their eligible dependents that are not otherwise covered by the City’s group plans. Such expenses may include: health plan deductibles; gym/fitness club membership fees; sports activities or fees; sports clothing (footwear, equipment, training and wearable fitness devices); outdoor/indoor equipment fees and rentals; subscriptions and fees for virtual/online home fitness classes or fitness / health related applications; medical testing (biometric testing, fitness, BMI assessment); holistic healing and acupuncture; massage therapy; lessons or personal training; state or national park passes; art supplies; musical instruments; hobby and craft supplies; learning tools (applications, software or online subscriptions), or any other health and wellness related expense as determined by the Executive Director Human Resources / Risk Management. Reimbursements shall be made at designated times twice each year pursuant to the program provisions. Upon hire or promotion, employees will be eligible for a prorated reimbursement for the current fiscal year.

**Article V. Leaves**

**Section 5.01 Holidays**

The following paid holidays will be observed on the day specified.

New Year’s Day	January 1st
Martin Luther King’s Birthday	3rd Monday in January
Presidents’ Day	3rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4th
Labor Day	1st Monday in September

Columbus Day	2nd Monday in October
Veteran’s Day	November 11th
Thanksgiving Day	4th Thursday in November
Day After Thanksgiving Day	Day after 4th Thursday in November
Christmas Eve	December 24th
Christmas Day	December 25th
New Year’s Eve	December 31st

- A. Any holiday listed in provision 5.01 which falls on Sunday will be observed on the following Monday.
- B. Employees will receive holiday hours in accordance with their regular workday not to exceed 10 hours per holiday.
- C. If a holiday falls on the employee’s normal day off, the employee will receive annual leave equal to the employee’s regular workday, not to exceed 10 hours per holiday.
- D. At the City Manager’s discretion, City Hall may be closed between and including Christmas Eve through New Year’s Day. During this time, employees shall use accrued annual leave or management leave to cover this period of closure.

**Section 5.02 Management Leave**

Employees receive 48 hours at the first pay period ending in January to be used at their discretion. Effective January 1, 2024, employees will receive 72 hours of management leave at the first pay period ending in January of each year to be used at their discretion. Employees hired or promoted after that date shall receive a pro-rated amount of such leave. All such leave must be utilized as time-off during the calendar year and will not carry over to the succeeding calendar year. Such leave will not be converted to compensation upon separation from employment.

**Section 5.03 Bereavement Leave**

- A. In the event of a death in an Executive Management employee's immediate family, the employee shall be granted three (3) working days of paid bereavement leave. Such bereavement leave shall not be charged against any accrued annual leave or management leave. Employees shall be granted an additional two (2) working days of unpaid bereavement leave in the event of a death in the employee's immediate family member. The employee may elect to use accrued time off including annual leave or management leave to cover the unpaid portion of their bereavement leave.
- B. A total of five (5) working days of paid bereavement leave shall be granted if there is a death in the immediate family outside the State boundaries or in excess of 250 miles from the employee’s home. Such bereavement leave shall not be charged against the employee’s annual leave or management leave.

- C. Bereavement leave shall be completed within three (3) months of the date of death of the immediate family member. The days of bereavement leave need not be consecutive.
- D. Immediate family for this provision is defined as the following relationships relative to the employee: child, including biological, adopted, or foster child, stepchild, legal ward, or a child to whom the employee stands in loco parentis; biological, adoptive, or foster parent, stepparent, or legal guardian of an employee or the employee’s spouse or registered domestic partner, or a person who stood in loco parentis when the employee was a minor child; spouse; registered domestic partner; grandparent; grandchild; sibling; or any other relationship included in the definition of “family member” in California labor code section 245.5 (4)(c) or successor legislation.

**Section 5.04 Annual Leave**

A. Accruals

- 1. The purpose of this leave is to provide employees in the Executive Management Group the ability to accrue time for vacation, sick leave and personal leave situations. Annual leave accrual rates are based on year of service as follows:

Year of Service	Annual Leave Hours Earned Per Year
1 – 3	192
4	200
5 – 8	216
9 – 10	224
11	232
12	240
13	248
14	256
15	264
16+	272

- 2. One 26<sup>th</sup> (1/26) of such annual leave amount shall accrue each pay period.
- 3. The City Manager may authorize a higher accrual rate, not to exceed the maximum accrual rate, as needed for recruitment, retention or other business needs. The higher accrual rate will be authorized in terms of additional years of service and, once set, the accrual rate will continue to adjust with additional service credit in accordance with the accrual rate schedule above.
- 4. The maximum annual leave balance shall be 800 hours. Employees shall not accrue annual leave above 800 hours.

B. Leave Conversions

1. Employees may convert up to 240 hours of accrued Annual Leave to salary compensation per calendar year as follows:

<b>Request Due Date</b>	<b>Payment Date</b>
2nd Friday in May	1st Payday in June
2nd Friday in November	1st Payday in December

2. Employees may convert a minimum of 8 hours and a maximum of 240 hours at each opportunity, but the total number of hours converted per calendar year shall not exceed 240 total hours.
3. Employees who are promoted to an Executive Management position must convert all accumulated Vacation Leave and Sick Leave to Annual Leave at the time of promotion. Also, employees in the Executive Management Group with retained Sick Leave and Vacation Leave balances that were accumulated under previous City policies may convert such balances to Annual Leave hours subject to approval of the City Manager.
4. Vacation Leave and Sick Leave accrual balances will be converted at the following rates:
  - a. Each accumulated hour of Sick Leave will be converted to .6 hours of Annual Leave. After the conversion, there will be no Sick Leave balance.
  - b. Each accumulated hour of Vacation Leave will be converted to 1 hour of Annual Leave.
5. In accordance with 26 CFR 1.451-2 effective January 1, 2025, and continuing thereafter, unit employees must submit an irrevocable election form, by no later than December 15th of the proceeding calendar year to convert the following hours to cash:

Accrued Annual Leave - An amount which may not exceed the number of annual leave hours the individual employee may accrue in the following calendar year.

The cash-out election is for hours to be accrued or received in the calendar year following submission of the irrevocable election form.

6. The total combined number of annual hours converted per calendar year shall not exceed 300 hours.
7. The payment shall be made via payroll and employees may elect to receive the cash out in the first payday in June and/or the first payday in December, but the request must be submitted by December 15th of the year prior.

8. Employees who do not submit an irrevocable election form by December 15th will be deemed as foregoing participation in the optional annual leave conversion program for the following calendar year.
9. In the event an employee has less hours in their annual leave bank at the time the cash-out is to be paid than they had previously elected to cash-out, the employee shall only be paid for up to the amount remaining in their annual leave bank at the time of the actual cash-out.
10. If an employee makes an irrevocable election to cash-out annual leave in the following calendar year and uses such leave in that subsequent calendar year, the annual leave used will come from the annual leave the employee had earned (if any) prior to January 1st of the calendar year the employee has elected to cash-out. The employee's use of earned, but unused annual leave accumulated from previous calendar years shall not result in a reduction in the amount of annual leave hours the employee is eligible to cash-out.
11. An employee who experiences an unforeseen emergency may be permitted to make a new irrevocable election and/or to increase the amount of a previous election, subject to the same value that was permitted at the time the annual irrevocable election forms were due.

For these purposes, an "unforeseen emergency" means a financial hardship to the employee resulting from any of the following:

- Accident, illness, injury or death of the employee or an immediate family member. For this purpose, an "immediate family member" is restricted to a spouse, registered domestic partner, child/legal dependent, or parent; or
- Loss or extensive damage to the employee's property due to casualty; or
- Other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the employee.

Whether an occurrence is an unforeseeable emergency shall be solely determined by the Executive Director Human Resources / Risk Management or designee.

12. Any conversion of annual leave hours to cash shall not cause the employee's total amount of accrued annual leave in their annual leave bank to fall below a forty (40) hour minimum balance. Cash-out of accumulated time shall be at the employee's option. Requests for cash-out are to be submitted in a manner prescribed by the City.

#### **Section 5.05 Paid Parental Leave**

- A. Each employee shall be granted a paid parental leave of absence not to exceed forty (40) hours per calendar year upon the birth or adoption of the employee's child or children. Any such leave must be taken within six (6) weeks before or after the estimated birth or adoption date and is subject to the department's established time off or leave of absence approval procedures. Such paid parental leave shall not be charged against the employee's sick leave, vacation leave, annual leave, or accrued compensatory time.



- B. The employee may be required to furnish evidence satisfactory to the City of the birth or adoption of the employee's child or children and/or the employee's relationship to the child or children.
- C. Paid Parental Leave will be considered as qualifying leave under the California Family Rights Act (CFRA) and the Family Medical Leave Act (FMLA) and shall run concurrently with an entitled unpaid Family Leave (provided that the employee is deemed eligible for CFRA and/or FMLA). Unpaid Family Leave shall be granted in accordance with CFRA and FMLA and the interpreted regulations for those respective statutes.

#### **Section 5.06 Other Leaves - Paid and Unpaid**

Executive Management employees are eligible for catastrophic leave and paid leave benefits for jury duty as provided for in the Department Head Profile. Executive Management employees may also be eligible for unpaid leaves of absence as described in the California Rights Act and the Family Medical Leave Act.

## **Article VI. GENERAL PROVISIONS**

#### **Section 6.01 Overpayments, Recovery and Underpayments**

- A. In situations involving overpayment to an employee by the City, the employee shall be obliged to repay by payroll deduction the amount of overpayment. The repayment shall occur within the same time frame as the overpayment was received by the employee or sooner at the employee's discretion.
- B. Either Human Resources, or the Payroll Department shall provide written documentation showing the calculations of the overpayment to the employee. A meeting may be requested by the employee with the Payroll Department to review the documentation and to discuss the recovery schedule. The repayment schedule, biweekly repayment amount or alternative repayment method (including repayment from personal funds) will be documented in writing.
- C. Extensions to the period for repayment of the overage or an alternative repayment method may be requested by the employee and are subject to the approval of the Executive Director of Finance or their designee. Extensions will be approved only in the case of extreme hardship, and the extended period for repayment will not be longer than one and one-half times as long as the overpayment period.
- D. If the employee leaves employment prior to repayment of overage, the City shall recover the amount owed from the employee's final pay. If the amount owed is greater than the employee's final pay, the City shall initiate a collections process against the employee.
- E. In situations involving underpayment to an employee by the City, the employee shall receive the balance due within the next pay period for which the adjustment can be made, following timely submission of appropriate documentation and necessary approval of the compensation change.

**Section 6.02 Direct Deposit and Electronic Pay Advice**

- A. Employees must make and maintain arrangements for direct deposit of their net paychecks into the financial institution of their choice via electronic fund transfer. Such arrangements shall be made within one month.
- B. In an extraordinary circumstances/event that an employee is unable to make arrangements for electronic fund transfer, the employee shall submit a request in writing to the Human Resources Agency to be considered for an exception. Human Resources shall review the request for the Direct Deposit Exemption and may request supporting documentation; and the employee will be notified of the determination.
- C. Any Direct Deposit Special Exemption granted may be reviewed periodically for continuation, subject to the approval of the Executive Director Human Resources / Risk Management.
- D. The electronic pay advice will be available for employees to view, save and print in the City's Human Resources Information System on the employee's pay day.

**Article VII. FINAL SIGNATURE**

All terms and conditions set forth in this Compensation and Benefits Profile are hereby effective on the 15th day of August. This Compensation and Benefits Profile supersedes the Compensation and Benefits Profile dated July 1, 2021.

<b>City of Ontario</b>	
	
<b>Scott Ochoa, City of Ontario</b>	<b>Date</b>

## APPENDIX A

### EXECUTIVE MANAGEMENT COMPENSATION RANGES EFFECTIVE AUGUST 13, 2023

RANGE	MINIMUM	MEDIAN	MAXIMUM
EX1	\$ 14,972.79	\$ 17,443.30	\$ 19,913.81
EX2	\$ 15,721.43	\$ 18,315.47	\$ 20,909.50
EX3	\$ 16,507.50	\$ 19,231.24	\$ 21,954.98
EX4	\$ 17,332.88	\$ 20,192.80	\$ 23,052.73
EX5	\$ 18,199.52	\$ 21,202.44	\$ 24,205.36
EX6	\$ 19,109.50	\$ 22,262.56	\$ 25,415.63
EX7	\$ 20,064.97	\$ 23,375.69	\$ 26,686.41
EX8	\$ 21,068.22	\$ 24,544.48	\$ 28,020.73
EX9	\$ 22,121.63	\$ 25,771.70	\$ 29,421.77
EX10	\$ 23,227.71	\$ 27,060.29	\$ 30,892.86
EX11	\$ 24,389.10	\$ 28,413.30	\$ 32,437.50

### EXECUTIVE MANAGEMENT COMPENSATION RANGES EFFECTIVE JULY 14, 2024

RANGE	MINIMUM	MEDIAN	MAXIMUM
EX1	\$ 16,395.21	\$ 13,911.47	\$ 21,805.62
EX2	\$ 17,214.97	\$ 14,607.04	\$ 22,895.91
EX3	\$ 18,075.72	\$ 15,337.39	\$ 24,040.70
EX4	\$ 18,979.50	\$ 16,104.26	\$ 25,242.74
EX5	\$ 19,928.48	\$ 16,909.47	\$ 26,504.87
EX6	\$ 20,924.90	\$ 17,754.95	\$ 27,830.12
EX7	\$ 21,971.14	\$ 18,642.69	\$ 29,221.62
EX8	\$ 23,069.70	\$ 19,574.83	\$ 30,682.70
EX9	\$ 24,223.19	\$ 20,553.57	\$ 32,216.84
EX10	\$ 25,434.35	\$ 21,581.25	\$ 33,827.68
EX11	\$ 26,706.06	\$ 22,660.31	\$ 35,519.06

\*These ranges are pre-approved by the City Council for executive compensation. The City Manager shall determine assignment to a range based on market and/or experience.

**EXECUTIVE MANAGEMENT COMPENSATION  
RANGE ASSIGNMENTS  
EFFECTIVE AUGUST 13, 2023**

<b>CLASSIFICATION</b>	<b>RANGE</b>
Assistant City Manager	<b>EX4</b>
City Manager	<b>EX11</b>
Executive Director Community Development	<b>EX6</b>
Executive Director Community Life and Culture	<b>EX1</b>
Executive Director Economic Development	<b>EX1</b>
Executive Director Human Resources Risk Management	<b>EX1</b>
Executive Director Information Technology	<b>EX1</b>
Executive Director of Finance	<b>EX4</b>
Executive Director Public Works	<b>EX4</b>
Fire Chief	<b>EX9</b>
Police Chief	<b>EX10</b>
Utilities General Manager	<b>EX6</b>

**EXECUTIVE MANAGEMENT COMPENSATION  
RANGE ASSIGNMENTS  
EFFECTIVE JULY 14, 2024**

<b>CLASSIFICATION</b>	<b>RANGE</b>
Assistant City Manager	<b>EX4</b>
City Manager	<b>EX12</b>
Executive Director Community Development	<b>EX6</b>
Executive Director Community Life and Culture	<b>EX1</b>
Executive Director Economic Development	<b>EX1</b>
Executive Director Human Resources Risk Management	<b>EX1</b>
Executive Director Information Technology	<b>EX1</b>
Executive Director of Finance	<b>EX4</b>
Executive Director Public Works	<b>EX4</b>
Fire Chief	<b>EX9</b>
Police Chief	<b>EX10</b>
Utilities General Manager	<b>EX6</b>