

Exhibit "G"

TERMS AND CONDITIONS OF EMPLOYMENT
FOR THE
UNREPRESENTED EXECUTIVE MANAGEMENT
EMPLOYEE GROUP

JULY 1, 2025, TO JUNE 30, 2026

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ARTICLE I

GENERAL PROVISIONS

SECTION 1 RECOGNITION AND GENERAL PROVISIONS

The City Manager and the City Council have designated the following positions as falling within the scope of the Unrepresented Executive Management Employee Group (“Executive Management” or “Employees”) and, in accordance with the provisions of the Fair Labor Standards Act (FLSA), have designated the following positions as exempt from minimum wage and overtime requirements of the FLSA:

Assistant City Manager
Chief of Police
Director of Administrative Services
Director of Community Development
Director of Human Resources
Director of Parks & Recreations
Director of Public Works

Other classifications may be designated as executive management from time to time as deemed appropriate by the City Manager and the City Council. The City Manager may combine two of the above positions (e.g., Assistant City Manager/Director of Public Works) and the combined position shall remain covered by these Terms and Conditions of Employment.

Employees may be subdivided in these Terms and Conditions of Employment into two categories: ***Sworn employees***, which includes the Chief of Police (hereinafter “Sworn Employees”); and ***Miscellaneous employees***, which includes the Assistant City Manager, Director of Administrative Services, Director of Community Development, Director of Human Resources, Director of Parks & Recreation, and Director of Public Works (hereinafter “Miscellaneous Employees”).

The City Manager of the City of South Gate has the authority to appoint, promote, discipline, demote, and remove any offices and employees of the City except the City Clerk, City Treasurer, and the City Attorney, pursuant to the City of South Gate Municipal Code Section 1.06.060 (Power and Duties), of Chapter 106 (City Manager), of Title 1 (Administrative and Personnel).

Employees subject to these Terms and Conditions of Employment must remain in the exclusive employment of the City and not to become otherwise employed while these Terms and Conditions of Employment are in effect, without prior, written approval of the City Manager. The term “employed” shall not be construed to include occasional teaching, writing, or consulting performed outside of normal City business hours, or on Employee’s time off with the prior, written approval of the City Manager.

SECTION 2 CURRENT AND SUPPLEMENTAL AGREEMENTS

It is the intent of the City and Employees that these Terms and Conditions of Employment supersedes all previous agreements or understandings either written or oral regarding, but not limited to, matters relating to wages, hours, and terms and conditions of employment between Executive Management employees, as represented by the City Manager, and by the City of South Gate (“City”). These Terms and Conditions of Employment contain the entire understanding between the parties on all matters related to the employees’ working conditions, rights, duties, and benefits. No amendment, change, or variation hereof shall be valid or binding unless reduced to writing by the City Manager and approved by the City Council.

SECTION 3 NONDISCRIMINATION

The City and Employees agree that, in applying the terms of these Terms and Conditions of Employment, neither party will discriminate against any employee because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, veteran or military status, political beliefs and affiliations, or union affiliation of any person or from any other reason prohibited by law.

SECTION 4 DURATION

These Terms and Conditions of Employment shall be effective from July 1, 2025, through June 30, 2026, and shall supersede any previous agreements, any amendments, resolutions or side letters thereto, shall become effective only after adoption by the City Council of the City of South Gate. In the event there is no successor agreement in place following June 30, 2025, these Terms and Conditions of Employment shall remain in full force and effect until such time that a successor agreement is ratified and approved by the City Council.

All provisions in these Terms and Conditions of Employment become effective on July 1, 2025, unless an earlier date is approved in a specific provision.

SECTION 5 CITY RIGHTS

- A. Except as otherwise specifically provided, the City has and retains the sole and exclusive rights and functions of management, including, but not limited to, the following:
 - 1. To determine the nature, standards, and extend of services to be performed, as well as the right to determine and implement its public function and responsibility.
 - 2. To manage all facilities and operations of the City, including the methods, means, and numbers and kinds of personnel by which the City operations are to be conducted.

3. To contract and/or transfer out work.
4. To direct the working forces, including the right to hire, assign, promote, demote, or transfer any employee.
5. To assign work to and schedule employees in accordance with requirements as determined by the City, and to establish and change work schedules and assignments upon reasonable notice.
6. To discharge, layoff, suspend, demote, reprimand, withhold salary increases and benefits, or otherwise discipline employees in accordance with applicable law.
7. To determine policies, procedures, and standards affecting the selection, training, and promotion of employees.
8. To establish, assess, and implement employee performance standards, including, but not limited to, quality and quantity standards; the assessment of employee performances; and the procedures for said assessment.
9. To establish and enforce dress and grooming standards.
10. To determine time, reasons, methods, and means to relieve its employees from duty because of lack of work, lack of funds, or other lawful reasons.
11. To maintain the efficiency of governmental operations.
12. To determine safety, health, and property protection measures.
13. To determine methods of financing.
14. To determine style and/or types of City-issued wearing apparel, equipment, or technology to be used.
15. To determine and/or change the facilities, methods, technology, means, organizational structure, and size and comparison of the work force, and to allocate and assign work by which the City operations are to be conducted.
16. To determine and change the number of locations, relocations, and types of operations, means, methods, processes, equipment, and materials to be used in carrying out all City functions, including, but not limited to, the right to transfer work out of the unit, contract for, or subcontract any work or operations.
17. To establish, modify, determine, or eliminate job classifications.
18. To take all necessary actions to carry out its mission in emergencies.
19. To exercise complete control and discretion of its organization and the technology of performing its work.

20. To take such other and further action as may be necessary to organize and operate the City in the most efficient and economical manner and in the best interest of the public it serves.

B. Executive management recognizes that the City has and will continue to retain, whether exercised or not, the unilateral and exclusive right to operate, administer, and manage its municipal services and work force, performing those services in all respects subject to these Terms and Conditions of Employment.

SECTION 6 “AT WILL” EMPLOYMENT, TERMINATION AND SEVERANCE PLAN

Employees are “at will” and shall serve at the pleasure of the City Manager pursuant to Section 1.06.060(C) of the South Gate Municipal Code. As such, the City manager may terminate an Employee’s employment at any time with or without cause, and with or without advance notice. A newly appointed City Manager may not terminate an Employee without cause until at least six months after the City Council duly appointed him/her to the position.

Employees may be terminated with cause for disciplinary reasons, or without cause or laid-off at the sole discretion of the City Manager. In the event an Employee is terminated without cause by the City at any time the Employee is still willing and able to perform his/her duties, the City shall provide six (6) months’ base salary upon termination, less ordinary deductions for taxes and other customary withholdings, provided; however, that said severance payment shall also be deemed as consideration for, and is conditioned upon, a full and complete written release of any and all claims, if any, by the Employee arising out of his/her employment relationship with the City, including a waiver of California Civil Code § 1542. Said release shall not extend to any claim for Workers' Compensation benefits, which the Employee may seek and shall not prohibit him/her in any way from participating in any state or federal administrative action or investigation.

An Employee may be terminated for cause for actions including, but not limited to:

- a. Conviction of any illegal act involving personal gain to the employee;
- b. Conviction of any felony, irrespective of the charge;
- c. Conviction of any misdemeanor involving charges of moral turpitude, fraud or any act of misappropriation of public funds while working for the City, or;
- d. As found by the City Council, upon the recommendation of the City Manager, to have:
 - (1) Been in gross neglect or dereliction of his/her duties, including willful or repeated violation of the following examples of conduct, which shall constitute cause for disciplinary action up to, and including discharge of an employee:
 - a) Willfully or corruptly making any false statements, certificates, marks, ratings, reports, failing to disclose material facts or in any manner committing or attempting any fraud.
 - b) Incompetence.
 - c) Inefficiency.

- d) Neglect of duty.
 - e) Insubordination.
 - f) Dishonesty.
 - g) Violation of City's Drug Free Workplace Policy.
 - h) Intemperance.
 - i) Absence without authorized leave.
 - j) Conviction of a felony or conviction of a misdemeanor involving moral turpitude. A plea or verdict of guilty, or a conviction following a plea of nolo contendere, to a charge of a felony or any offense involving moral turpitude is deemed to be a conviction within the meaning of this Section.
 - k) Immorality.
 - l) Discourteous treatment of the public or other employees, including sexual harassment.
 - m) Improper political activity.
 - n) Willful disobedience.
 - o) Misuse of property owned by, leased to, or under the charge of the City.
 - p) Violation of any of the prohibitions set forth in California Government Code §§ 1090 *et seq.* and § 1126. (Related to conflict-of-interest activities).
 - q) Refusal to take and subscribe any oath or affirmation that is required by law in connection with employment.
 - r) Any other failure of good behavior either during or outside of duty hours which is of such a nature that it causes discredit to the City, its officers or employees.
 - s) Willful injury to persons.
 - t) Waste of material.
 - u) Advocating violent overthrow of government. (Government Code Section 1028) "It shall be sufficient cause for the dismissal of any public employee when such public employee advocates or is knowingly a member of the Communist Party or of an organization which during the time of his/her membership he/she advocates overthrow of the Government of the United States or of any state by force or violence."
 - v) Any unauthorized use of City uniforms.
 - w) Any violation of City or departmental policies and rules.
 - x) Violation of City's Discrimination/Harassment Policy.
- (2) Misappropriated any assets of the City; or
 - (3) Failed to accurately state his/her representations or warranties.

The City Manager or his/her designee shall serve on an Employee terminated with cause a written document describing the reason(s) for the employee's termination and the date that the employee will be terminated. The Employee may meet with the City Manager to discuss the basis upon which he/she shall be terminated; however, the City Manager's decision is final and not subject to appeal and/or grievance. An Employee terminated with cause is not entitled to the six-month severance pay as described above for an Employee laid off or terminated without cause.

SECTION 7 DRESS CODE

The parties agree that City dress codes shall be determined by the City Manager in accordance with business necessity.

SECTION 8 INDEMNIFICATION

To the extent mandated by state and/or federal law, including but not limited to California Government Code §§ 825-825.6, 995-996.6, and other applicable laws, the City shall defend, hold harmless, and indemnify Employee against any tort, professional liability, claim or demand, or other legal action arising out of an alleged act or omission occurring in the performance of Employee's services under these Terms and Conditions of Employment, whether groundless or otherwise, alleged as a public official or private individual, arising out of an alleged act or omission occurring in the performance of the Employee's duties as defined in these Terms and Conditions of Employment. City will compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered thereon for Employee's activities performed in the course and cop of his/her employment.

SECTION 9 BONDING

The City shall bear the full costs of any fidelity or other bonds required of the Employee under any law or ordinance.

SECTION 10 PERSONNEL RULES AND REGULATIONS

The Employee is subject to the provisions of any personnel rules, regulations, and other policies and procedures governing the terms and conditions of employment whether now in existence or subsequently adopted by the City. Except as to the discipline, disciplinary appeals, notice and termination provisions thereof, such rules, regulations, policies or procedures are incorporated into these Terms and Conditions of Employment by reference and shall govern unless there is a conflict with these Terms and Conditions of Employment.

SECTION 11 PROBATION PERIOD

All Employees are "at will," do not have a probation period, and subject to termination pursuant to the terms outlined in these Terms and Conditions of Employment.

SECTION 12 WORKWEEK AND HOURS

Employees are expected to engage in the hours of work that are necessary to fulfill the obligations of the position, must be available at all times, and must devote a great deal of time outside the normal office hours to the business of the City. The proper performance of duties will require Employees to generally observe normal business hours (currently 7:00 a.m. to 6:00 p.m., Monday through Thursday, including a standard one-hour lunch period), as set by the City and as may be duly revised from time-to-time by the City, and

will also often require the performance of necessary services outside of normal business hours. Employees who are not able to generally adhere to the City's normal business hours shall discuss the reasons with the City Manager.

It is recognized that an Employee's duties may vary day-to-day, week-to-week as a result of the work demands placed on the Employee and the times such work is required to be performed. Employees may be required to work outside of normal office hours to attend to the business of the City and, upon approval of the City Manager, may be permitted to take compensatory time off as deemed appropriate.

SECTION 13 ELECTRONIC CHECK DEPOSIT

The City will continue to provide an electronic check deposit program.

SECTION 14 SUBSTANCE ABUSE

It is appropriate to provide a drug-free workplace through the establishment of policies and procedures that clearly prohibit the use of alcohol and other drugs and their influence on the job, as implemented by the City's Drug and Alcohol Abuse Policy.

SECTION 15 SMOKE FREE POLICY

All City buildings and vehicles shall be considered "smoke free" areas. Employees may smoke on City property only in areas specifically designated for smoking.

ARTICLE 16 EMPLOYEE ACKNOWLEDGEMENT OF RECEIPT OF OFFICIAL DOCUMENTS

Employees being served with City documents that contain a formal Notice of Acknowledgement of Receipt with a signature line and date for the employee to sign and who are directed to sign such document at the time presented, shall promptly sign and date the Notice of Acknowledgement of Receipt or may be subject to discipline for insubordination for failure to comply with an official directive and for violation of these Terms and Conditions of Employment. Any disciplinary document shall have the following sentence before the signature line: "My signature does not mean that I agree with the contents of this document and does not waive any of my rights."

ARTICLE 17 EXCLUSION FROM CIVIL SERVICE RULES AND REGULATIONS

Employees are "at will" and excluded from the City's civil service rules and regulations pursuant to Section 1.24.105 of the South Gate Municipal Code

ARTICLE II SALARIES AND ALLOWANCES

SECTION 1 PAY INCREASE IMPLEMENTATION

The City shall make payroll changes for step increases, pay increases, and other compensation changes at the start of the nearest pay period, subject to the Personnel Officer's approval and/or adjustment (due to special circumstances).

SECTION 2 WAGES:

For Fiscal Year 2025-26 and effective September 7, 2025, the salary range and base salary for the positions identified in Article I, Section 1, shall be increased by three percent (3.0%)

SECTION 3 MERIT BASED INCREASES

All employees will be placed on the same evaluation schedule with either annual or semi-annual evaluations. Advancement to a higher Step in each Grade will be contingent upon an overall satisfactory or exemplary performance evaluation. Merit increases must be recommended by the City Manager. Should the City Manager fail to complete an evaluation through no fault of the Employee, the Employee will automatically receive any regularly scheduled increase. The City Manager may take affirmative action to withhold a salary step increase if it is determined at the sole discretion of the City Manager that the Employee has not met satisfactory standards. Withholding a salary increase is an administrative action, and not disciplinary, and therefore is not a subject to appeal. Additionally, it is the sole discretion of the City Manager as to when he/she may reconsider a merit increase and any merit increase provided following a withholding is not subject to retroactive pay.

SECTION 4 WITHHOLDINGS

- A. Social Security: No contributions are paid by the City or Employees into Social Security.
- B. Medicare: For all employees hired after April 1, 1986, a total withholding of 2.9% shall be contributed to Medicare with the City paying 1.45% of the Employee's salary and the Employee paying the remaining 1.45% of his/her salary.

SECTION 5 EDUCATIONAL REIMBURSEMENT

Up to \$3,500 for any private or public college or university or recognized professional organization (American Planner Association, Government Finance Officers Association, etc.) annually for enrolling in classes related to their professional development with the City. Such reimbursement shall be pre-approved by the City Manager prior to enrollment by the employee. To be eligible for reimbursement, an employee must obtain a grade of "C" or better (a "Pass" if the class is a pass/fail standard) and shall submit a grade slip or other evidence of successful course completion and appropriate invoices and/or receipts.

For Employees hired on or after January 1, 1993, and who were appointed to an Executive Management position covered by these Terms and Conditions of Employment on or before January 1, 2015, the City shall pay for related regional and national professional memberships as approved by the City Manager including renewal of professional licenses related to the position.

SECTION 6 VEHICLE ALLOWANCE

- A. Miscellaneous Employees: In lieu of the City providing a vehicle or paying mileage reimbursement for City business use, the employee shall receive \$500 per month as a vehicle allowance. The employee shall annually present proof of vehicle insurance and that such coverage shall cover the vehicle operation for city business purposes by said employee. The employee shall also participate in the City's annual DMV verification program. An employee receiving the Vehicle Allowance may not use a City vehicle for any purpose. Employees may use City Electronic Vehicle (EV) charging stations, if available.
- B. Sworn Employees: Given the nature of the responsibilities attached to the position of Chief of Police, providing a City-issued vehicle is more appropriate and cost effective as it would require a private vehicle to be outfitted with certain equipment so the Employee can carry out his/her duties as expected. Accordingly, a Sworn Employee will be provided with a vehicle that he/she may use for all work-related purposes, including driving to and from work, trainings, and events.

SECTION 7 COMMUNICATION DEVICES

- A. Miscellaneous Employees: In lieu of the City providing a cell phone, the Employee shall receive \$120 per month for communication expenses. The employee understands the monthly records of calls may be subject to the California Public Records Act relating to City business items. The City Attorney's Office will make any determination of applicability.
- B. Sworn Employees: The Sworn Employee has a choice to either receive the allowance as specified above in Section 7.A. or may receive a City-issued cell phone.

SECTION 8 EDUCATION INCENTIVE PAY

The City shall pay \$225 per month for any employee that has obtained a master's degree or higher from a fully accredited university.

SECTION 9 UNIFORM ALLOWANCE (SWORN ONLY)

Sworn Employees may order uniforms from a City-approved vendor for an amount not to exceed \$1,200 annually and that the purchase of such uniforms shall be billed directly to the City.

ARTICLE III FRINGE BENEFITS

SECTION 1 HEALTHCARE INSURANCE

The City provides health coverage through the CalPERS Health Program. Employees receive up to \$1,000 + 1.00% of his/her base annual salary, monthly towards mandatory medical and dental coverage, which includes the required CalPERS monthly contribution. In lieu of this benefit, Employees showing proof of enrollment in an alternative group health plan, and annually each year thereafter, may opt out of City health coverage with a cash-in-lieu payment of \$900 per month minus any premiums for dental and vision coverage. An employee may designate all or some of the \$900 per month cash-in-lieu payment to be deposited into the employee's deferred compensation account.

The City pays for the Employee and up to 2 dependents party HMO Vision plan premium.

SECTION 2 LIFE INSURANCE

The City shall provide \$100,000 Life and Accidental Death and Dismemberment Insurance for all Employees subject to these Terms and Conditions of Employment.

SECTION 3 VOLUNTARY LIFE INSURANCE

Eligible employees will be offered the opportunity to purchase life insurance in addition to the life insurance paid for by the City. Currently voluntary life coverage is provided by The Guardian and establishes the terms and conditions regarding coverage; however, the City reserves the right to change insurance carriers for this benefit at its own, independent discretion.

SECTION 4 RETIREMENT

A. CalPERS Pension

Employees will be provided with California Public Employees' Retirement System ("CalPERS") pension benefits consistent with the City's contract with CalPERS, with benefits differing depending on whether the employee is a "classic member" or "new member," as defined by the Public Employee's Pension Reform Act ("PEPRA"). The City will pay the Employer contribution of pension cost and the employee shall pay the Employee contribution of pension costs consistent with CalPERS requirements. The City's CalPERS contract provides for 1959 Survivor Benefit Level 4 and sick leave credit, such that sick leave is converted to service credit upon retirement from the City within four months of employment separation subject to current CalPERS regulations.

1. "Classic Members": For all employees who are "Classic Members" within the meaning of the California Public Employees' Pension Reform Act of 2013, the City shall provide in its contract with CalPERS the following retirement:

- a. Miscellaneous Employees: These employees shall receive a retirement pension formula of 2.7% @ 55 calculated using their highest 12 months of income.
 - b. Sworn Employees: these employees shall receive a retirement pension formula of 3.0% @ 50 calculated using their highest 12 months of income.
- 2. “New Members”: For all employees who are “PEPRA” within the meaning of the California Public Employees’ Pension Reform Act of 2013, the City shall provide in its contract with CalPERS the following retirement:
 - a. Miscellaneous Employees: These employees shall receive a retirement pension formula of 2.0% @ 62 calculated using their highest 36 months of income.
 - b. Sworn Employees: these employees shall receive a retirement pension formula of 2.7% @ 57 calculated using their highest 36 months of income.

B. Employee Contributions

- 1. Miscellaneous Employees: Miscellaneous Employees will pay the employee’s 8% contribution to the retirement plan or as defined by PEPRA. Starting July 1, 2023, all Miscellaneous Employees, “Classic” and “PEPRA” as defined by CALPERS, shall pay an additional 1% towards the employer CalPERS contribution as cost sharing to be implemented by a CalPERS contract amendment and an additional 1% (for a total of 2%) starting January 1, 2025.
- 2. Sworn Employees: Sworn Employees will pay the employee’s 9% contribution to the retirement plan or as defined by PEPRA. Starting July 1, 2023, all Sworn Employees, “Classic” and “PEPRA” as defined by CALPERS, shall pay an additional 1% towards the employer CalPERS contribution as cost sharing to be implemented by a CalPERS contract amendment and an additional 1% (for a total of 2%) starting January 1, 2025.

C. Retiree Medical Insurance

- 1. Miscellaneous Employees: The City shall continue to cover eligible retirees by the City’s Public Employees’ Medical & Hospital Care Act (PEMHCA) resolution. Employees are eligible for this benefit if the employee has twenty (20) or more years of service with the City, remains enrolled in a CalPERS medical plan, retires from the City, and remains a CalPERS annuitant. Employees shall receive a medical insurance benefit not to exceed three hundred dollars (\$300) per month. This section specifically makes no provision for any dependents of the retiree. The retired employee will continue to have the option to purchase medical insurance for him-/herself and his/her dependents, as currently provided at his/her own expense.

2. Sworn Employees: The City shall continue to cover eligible retirees by the City's Public Employees' Medical & Hospital Care Act (PEMCHA) resolution. Employees are eligible for this benefit if the employee has twenty (20) or more years of service with the City, remains enrolled in a CalPERS medical plan, retires from the City with a normal service retirement, and remains a CalPERS annuitant. In the event the Employee retires with an Industrial Disability Retirement (IDR) with CalPERS, or later converts his/her normal service retirement to an IDR, he/she will no longer be eligible for this benefit. Once eligibility is lost, it cannot be restored under any circumstance. A retiree will be reimbursed for the actual dollar amount for the CalPERS medical insurance coverage he/she selects, fixed at a rate not to exceed the amount of the CalPERS Kaiser-Southern California 2-Party medical insurance monthly premium rate in effect on the date of his/her retirement.
3. The City agrees to notify employees of the need to enroll or remain in a CalPERS medical benefit plan to receive this benefit at the time the employee submits the "Intent to Retire" packet.

SECTION 5 DEFERRED COMPENSATION

The City currently offers deferred compensation plans to employees, enrollment in such plans is voluntary, and on an ongoing basis.

- A. For employees hired on or before December 31, 1989: The City shall match Employee contributions up to \$100 per month.
- B. For employees hired on or after January 1, 1990: The City shall match Employee contributions up to \$550 per month.

SECTION 6 FITNESS

- A. All Employees shall receive a family membership (spouse and dependent children) at the South Gate Sports Center in the South Gate Park that will be provided at no cost and includes access to the golf course and swimming pool. This membership includes free access to all Park facilities that are open to the public, but excludes City sponsored classes that require a fee.
- B. All Employees are also eligible to participate in the City's Employee Assistance Plan ("EAP") Program.
- C. Physical Fitness Program: All Sworn Employees shall receive special compensation of \$600 each April and October for passing the Police Department's Physical Fitness Test ("PFT") in any one of the following areas: (1) cycling, (2) three-mile walk, or (3) one and one-half mile run. The Police Department conducts fitness testing two (2) times a year. Scores are based upon the Sworn Employee's gender, age, and PFT performance. Those who successfully complete their assigned segment of the "Baker to Vegas Run" are deemed to have passed the test in lieu of taking the fitness test in

April of that particular year. A score of “good” or better shall be deemed a passing score to entitle the recipient to receive the \$600 payments described herein. Employee participation in this Physical Fitness Program is voluntary.

SECTION 7 LONG TERM DISABILITY

- A. For Employees hired on or before December 31, 1992, or who were appointed to an Executive Management position covered by these Terms and Conditions of Employment on or before December 31, 2014: The City pays for Long Term Disability Insurance through Reliance Standard (or whichever other company the City may contract for similar services) for long term disability coverage.
- B. For Employees hired on or after January 1, 1993, and who were appointed to an Executive Management position covered by these Terms and Conditions of Employment on or after January 1, 2015: The City pays 50% of the plan cost, should the employee choose to participate in CalPERS (or successor) offered program.

ARTICLE IV LEAVE POLICIES

SECTION 1 HOLIDAY LEAVE

A. Entitlement

Employees who are on the payroll as of July 1st of each Fiscal Year shall be credited with appropriate Holiday Leave per Section B (below). Employees in the bargaining unit hired after the 1st of each Fiscal Year will be credited as of the date of hire with ten (10) hours of holiday leave for each designated holiday remaining in the Fiscal Year. Although the holiday leave is credited, it is not considered earned until the day of the observed holiday.

Entitled employees may be absent from work but nevertheless receive compensation at the employee's then current rate of pay on either (a) the holidays designated below; or (b) days otherwise scheduled in advance and agreed upon between the employee's supervisor and the employee.

Entitled employees shall earn Holiday Leave in increments of ten (10) hours if the employee is working or on paid leave both as the holiday occurs during the calendar year, and at the commencement of the day following the designated holiday. Holiday leave time used shall be deducted from the hours credited in increments according to the employee work schedule.

City Holiday Leave is not intended to be carried over from one fiscal year to a succeeding fiscal year. Any unused Holiday hours not used at the conclusion of the last full pay period of each fiscal year are deemed lost, and employees shall not receive compensation for any unused Holiday hours.

B. Holiday Observance/Hours

Each fiscal year the City shall observe the following named Holidays:

New Year's Day	January 1st
Martin Luther King's Birthday	Third Monday of January
President's Day	Third Monday of February
César Chávez Day	Last Monday in March
Memorial Day	Last Monday of May
Independence Day	July 4th
Labor Day	First Monday of September
Thanksgiving Day	Fourth Thursday of November
Christmas Eve	December 24th
Christmas Day	December 25 th

Each fiscal year, all employees shall receive 130 hours of paid Holiday Leave subject to "Section IA, Article IV." The City will observe the ten (10) days set forth above, plus thirty (30) additional hours each year. The thirty (30) additional hours will be applied to

effectuate a full week of closure between Christmas and New Year's Day. In the event that less than thirty (30) hours is necessary to effectuate the full week of closure, the balance of the 30 hours will be observed as floating day(s). In the event 30 hours is insufficient to cover the holiday closure period, employees will use accrued vacation, compensation, administrative leave, and/or leave without pay.

The City will review the holidays above in April of each year and determine the date each holiday will be observed for the coming fiscal year, which shall be issued by the Personnel Officer as the Holiday Schedule.

Employees are required to be off work on City-observed holidays. Any such employee who works on an observed holiday shall earn his/her regular rate of pay and defer any unused holiday hours to be used at a later time.

Holidays that fall on Friday or Saturday become floaters. Holidays that fall on Sunday are observed on Monday. If two-day holidays fall on Sunday/Monday, then holidays are observed Monday/ Tuesday.

An employee shall not receive compensation for holidays that occur after his/her date of separation.

SECTION 2 VACATION

A. Each employee shall earn vacation in the following manner:

1. Employees hired on or before December 31, 2014: Employees hired on or before December 31, 2014, shall earn vacation at a rate of 160 hours per year, or 6.15 hours per pay period. Accrued but unused vacation may be carried over from year to year with no cap on the number of hours an Employee may accrue.

2. Employees hired on or after January 1, 2015:

One (1) to four (4) years of service:	120 hours annually
Five (5) to nine (9) years of service:	160 hours annually
Ten (10) or more years of service:	200 hours annually

Accrued but unused vacation may be carried over from year to year; however, the maximum allowable vacation accrual is three hundred and fifty (350) hours for Miscellaneous Employees and four hundred (400) hours for Sworn Employees. If an employee's vacation accrual is at the maximum level, the employee will not accrue additional vacation until the employee's vacation accrual is below the maximum level.

- B. By no later than December 15 of any calendar year, an employee wishing to convert a portion of his/her actual accumulated vacation leave to cash at the hourly rate of base pay then existing, shall notify the Personnel Officer in writing on a form to be supplied by the City of his/her cash out request, including the amount to be cashed out and acknowledging that the request is irrevocable. In order to be eligible to**

convert a portion of accumulated vacation leave to cash, an employee must maintain one hundred (100) hours of vacation leave within the employee's account balance after any distribution has been made. Said employee shall be entitled to request a cash distribution as follows:

1. Miscellaneous Employees:
 - a. Employees hired on or before December 31, 1989: Up to eighty (80) hours and shall be paid the first payroll period in the following May.
 - b. Employees hired on or after January 1, 1990: Up to forty (40) hours and shall be paid the first payroll period in the following May.
 2. Sworn Employees: Up to one hundred (100) hours and shall be paid the first payroll period in the following May.
- C. Upon separation of employment, Employees shall be entitled to a cashout of all unused vacation, which shall be paid at the employee's FLSA hourly rate of pay on the date of his/her separation.

SECTION 3 SICK LEAVE

A. Entitlement

Employees shall earn one hundred twenty (120) hours of sick leave per year prorated by pay period (4.62 hours/pay period). Accrued but unused sick leave may be carried over from year to year with no cap on the number of hours an Employee may accrue. The use of sick leave is to provide the Employee paid time off when he/she is sick or injured; however, the Employee may also use sick leave to attend dental or medical appointments for him-/herself and/or his/her dependents, for purposes permitted under the FMLA/CFRA/PDL, and for any other purpose authorized under the terms of these Terms and Conditions of Employment.

B. Sick Leave Program

1. Illness or Injury Leave Notification and Verification Procedure: In the event of an absence due to illness or injury, employees must notify the City Manager prior to or at the beginning of their shift starting time. Employees who are incapacitated must notify the City Manager at the earliest possible time and may have a spouse or other person contact the City Manager within the time limit specified above.
2. Employees who become ill or injured while working on the job must request approval from the City Manager to leave work. Those employees injured on the job must file a "First Report of Injury" form and receive authorization for medical treatment from the City Manager.

The notification to the City Manager must include a reason for the absence that is in accordance with current law and an estimated return date. This information will be logged for future reference.

3. Failure to notify the City Manager will result in the forfeiture of the sick leave for the period of absence and may result in disciplinary action.
4. All absences not due to illness or injury must be requested as noted in the appropriate leave sections.
5. Verification - In the event that employees have, in the City Manager's sole opinion, an absenteeism problem, an excessive use of sick leave, or have a suspicious absence of three days or longer or group of absences, the City Manager may attempt to verify the absence or proper use of sick leave by any of the following:
 - a. Telephoning the employee at home (or appropriate location).
 - b. Visiting employee at home.
 - c. A sub-rosa investigation.
 - d. A medical evaluation at the City's expense, or
 - e. A medical evaluation at the employee's expense (A licensed physician must complete the medical evaluation that must include the reason for the absence and permission to return to work.
6. Where an excessive absenteeism pattern has been established without clear justification for said leave, the City Manager may schedule a counseling session to determine the reasons or justification for the excessive use. The Personnel Officer shall conduct the counseling session and other attendees of the session shall include the employee, a representative chosen by the employee, if any, and the department representatives. This session shall be documented by a written summary of the abuse problems and discussion. The Personnel Officer shall issue the summary and a copy distributed to attendees of the session and to the affected employee's Personnel file. The purpose of the counseling session is to improve the employee's attendance and/or warn the employee about the consequences of continued abuse. If there is a specific abuse that warrants discipline, or if the above counseling session does not correct abuses, then action will be taken to correct the abuse problem through the discipline process.

C. Sick Leave Advances

The City will not provide advances in sick leave when an employee has depleted his/her sick leave balances.

D. Sick Leave Payoff

1. Sick leave accrual shall remain unlimited. An Employee hired on or before December 31, 1992, shall be cashed out at the hourly rate, as defined below, of pay of the Employee then existing on the date of his/her retirement from

employment. For employees hired on or after January 1, 1993, and on or before December 31, 2002, the sick leave “payoff” shall be limited to 600 hours at the hourly rate, as defined below, of pay of the Employee then existing on the date of his/her retirement from employment. For employees hired on or after January 1, 2003, and on or before December 31, 2021, the sick leave “payoff” shall be limited to 450 hours at the hourly rate, as defined below, of pay of the Employee then existing on the date of his/her retirement from employment. Employees hired on or after July 1, 2022, shall not be entitled to sick leave cash-out option upon separation. Sick leave will remain available for conversion for all Employees upon retirement to CalPERS service credit as then allowed by the City’s CalPERS contract. Employees whose separation is for any reason other than retirement, termination without cause, or layoff shall not be entitled to any sick leave cash out.

In order for an employee to qualify for this Sick Leave Payoff provision, the employee must have at least 15 years of continuous service to the City of South Gate and retire from both the City and from CalPERS.

The calculation of the hourly rate a retired employee shall receive under this payoff provision shall be as follows:

15 - 19 years of service - 50% of FLSA hourly rate.

20 – 24 years of service - 75% of FLSA hourly rate.

25 years or more of service - 100% of FLSA hourly rate.

For an employee with 25 or more years of service to the City and within three years of a declared retirement, he/she may enter in a two phase payout agreement, wherein the employee shall be paid 50% of his/her total accrued sick leave upon entering into a payout agreement. One year following the first payment of the agreement or on the date of the employee’s retirement, whichever comes first, the employee’s remaining balance of total accrued sick leave shall be paid. The payout amount shall be determined as the employee’s hourly base rate at the time the payment is made.

For example, if an employee were to enter into an agreement under the terms of this provision on October 1, 2025, with 300 hours of sick leave, the first payment of 150 hours will be paid on the employee’s next paycheck. The remaining balance of the employee’s sick leave shall then either be paid out on the paycheck following October 1, 2026, or as part of the payment of accrued leave upon retirement, whichever occurs first.

Upon entering into the agreement, the employee may request that all or a portion of the payment be to his/her deferred compensation account up to the amount permitted by IRS regulations.

An employee who remains employed with the City beyond the date initially

anticipated in the Agreement, shall have his/her total accrued sick leave cashed out in the last pay period of each fiscal year with the exception of 80 hours, which shall remain as available sick leave until such time the employee retires.

Employees interested in this arrangement shall contact the Human Resources Department to prepare an agreement, which shall be signed by the employee and the City Manager. This payoff agreement may be executed at any time during the 2025/26 Fiscal Year.

SECTION 4 JURY DUTY

Employees who are called for Jury Duty shall be entitled to full salary while serving on a jury. Employees are obligated to provide the City with proof of service each pay period. Failure to provide proof of jury service will result in the Employee using his/her own accrued leave in the following order until extinguished: vacation leave, administrative leave, and personal/emergency leave.

SECTION 5 LEAVE WITHOUT PAY

A leave of absence without pay, up to ninety (90) calendar days in any calendar year, may be granted upon the approval of the City Manager. In the case of a bona fide illness or injury, a medical leave may be granted up to a maximum of one (1) year upon the approval of the City Manager. In the event that an employee has no eligible leave to cover an absence from work, authorized or unauthorized, the City Manager may approve the short term leave with due consideration of the employee's work record (with possible counseling or discipline considerations). All applications for leaves of absence without pay shall be submitted to the City Manager on a Personnel Transaction Form. The City shall have sole discretion whether to grant a leave of absence without pay and the City's decision is not subject to grievance and/or appeal.

A. Catastrophic Illness/Injury

If an employee is diagnosed by a qualified Doctor of Medicine to have a catastrophic illness (in a state of total disability from cancer, heart attack, AIDS, etc.) or has a catastrophic injury (an injury that totally disables an employee for an extended period of time), the employee may be entitled to extended health benefit coverage (Medical, Dental, & Life ins.) provided by the City (in the same fashion normally provided to the employee). This benefit requires the approval of the City Manager, and is applicable when the employee's leave benefits are exhausted, under the following formula:

<u>Years of Full-Time City Employment</u>	<u>Months of Continued Coverage</u>
After (2) years	3 months
After 4) years	6 months
After (7) years	9 months
After (10) years	12 months

SECTION 6 MATERNITY LEAVE

The application of the maternity leave policy is subject to applicable State and Federal laws. The employee may use accrued paid or unpaid leave as appropriate.

SECTION 7 FAMILY MEDICAL LEAVE ACT /CALIFORNIA FAMILY RIGHTS ACT

Pursuant to State & Federal law, the City will provide family and medical care leave to eligible employees. The following provisions set forth employees' rights and obligations with respect to sick leave. Rights and obligations that are not specifically set forth below are set in the Department of Labor regulations implementing the Federal Family and Medical Leave Act of 1993 (FMLA), and the regulations of the California Fair Employment and Housing Commission implementing the California Family Rights Act (CFRA). Unless otherwise provided by this section, "Leave" under this provision shall mean leave pursuant to the FMLA and CFRA.

- A. Amount of Leave -** Eligible employees are entitled to a total of 480 hours of leave during any 12-month period. An employee's entitlement to leave for the birth or placement of a child for adoption or foster care expires 12 months after the birth or placement. The 12-month period for calculating leave entitlement will be a "rolling period" measured backward from the date leave is taken and continues with each additional leave day taken. Thus, whenever an employee requests leave, the City will look back over the previous 12-month period to determine how much leave has been used in determining how much leave a member is entitled to.
- B. Use of Accrued Leaves While on Leave -** If a member requests leave for any reasons permitted under the law, that person must exhaust all accrued leaves in connection with the leave. The exhaustion of accrued leave will run concurrently with the leave.

SECTION 8 BEREAVEMENT

Employees shall be allowed time off for the death of an immediate family member, which may be taken any time within ninety (90) days of the family member's passing. This time may be taken non-consecutively at the discretion of the employee. The term "immediate family" is defined as the spouse, domestic partner, child, parent, sibling, grandparent, grandchild, or parent-in-law of the employee or other person as approved by the City Manager or his/her designee.

Upon providing documentation of the death of an immediate family member, the employee shall be entitled to forty (40) hours of bereavement leave, not chargeable to any other leave. If an employee does not provide documentation of death, the employee's time off shall be chargeable first as sick leave and then to any other remaining, accrued leave balance. If the employee uses the bereavement leave consecutively and wishes to extend that leave to another forty (40) hours, he/she may take such additional consecutive leave chargeable as sick leave.

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Documentation of death must be provided within 30 days of the first day of the employee's bereavement leave. Such documentation includes, but is not limited to, a death certificate, obituary, or written verification of death, burial, or memorial service from a mortuary, funeral home, burial society, crematorium, religious institution, or government agency. The City shall keep this documentation confidential and shall not disclose it except as necessary to internal personnel or counsel, or if required by law. Failure to provide documentation will result in any time off to be charged against the employee's sick leave and then to any other remaining, accrued leave balance.

SECTION 9 JOB RELATED INJURY OR ILLNESS

In the event of an absence due to a job-related injury or illness, any employee who is entitled to disability payments under Workers' Compensation laws shall receive from the City the difference between such disability payments and his/her full salary for the period of absence up to a maximum of four hundred eighty (480) hours for any one injury or illness. This period of four hundred eighty (480) hours shall not be deducted from accumulated sick leave. However, any relapse at a later date shall not be compensable under this provision, although the same may be chargeable against accumulated, unused sick leave, if any.

SECTION 10 MILITARY LEAVE

Military leave is restricted to normally required active duty and does not apply to such matters as weekend drills, etc. Leaves of absence for active military training, service, or other active duty obligations shall be granted in accordance with California and Federal law. Applicable laws shall govern compensation, reemployment, seniority and other rights and privileges. In order to verify the right to such leave, the employee shall cause a copy of his/her orders to and from military duty to be filed with the City's Personnel Officer. Military Leave is recorded on the employee's time sheet and approved by the City Manager. Employees are entitled to receive a maximum of eighty (80) hours of paid leave per fiscal year for annual military training. Employees are entitled to receive up to an additional thirty (30) days (300 hours) of paid military leave if they are called to active duty (other than annual training) in the National Guard or one of the branches of the U.S. Military.

SECTION 11 ADMINISTRATIVE LEAVE

A. Employees will be provided Administrative Leave as follows:

1. Employees hired on or before December 31, 1989, or appointed to an Executive Management position on or before December 31, 2014: Employees hired on or before December 31, 1989, or appointed to an Executive Management position on or before December 31, 2014, shall receive one-hundred and twenty (120) hours per year of Administrative Leave, which shall be accrued at a rate of 4.62 hours/pay period. Employees may carry over unused Administrative Leave to the following fiscal year(s) without any cap on the maximum amount an Employee may accrue.

2. Employees hired on or after January 1, 1990, and before December 31, 1992, and appointed to an Executive Management position on or after January 1, 2015: Employees hired on or after January 1, 1990, and before December 31, 1992, and appointed to an Executive Management position on or after January 1, 2015, shall receive one-hundred (100) hours per year of Administrative Leave, which shall be accrued at a rate of 3.85 hours/pay period. Employees may carry over unused Administrative Leave to the following fiscal year(s) without any cap on the maximum amount an Employee may accrue.
 3. Employees hired on or after January 1, 1993, and appointed to an Executive Management position on or after January 1, 2015: Employees hired on or after January 1, 1993, and appointed to an Executive Management position on or after January 1, 2015, shall receive one hundred (100) hours per year of Administrative Leave, which shall be accrued at a rate of 3.85 hours/pay period. Employees may carry over unused Administrative Leave to the following fiscal year, but at no time shall an employee maintain a balance of Administrative Leave greater than two hundred (200) hours. No administrative leave shall accrue beyond the established two hundred (200) limit until the leave balance falls below that limit.
- B.** By no later than December 15 of any calendar year, an employee wishing to convert a portion of his/her accumulated leave to cash out shall notify the Personnel Officer in writing on a form to be supplied by the City of his/her cash out request, including the amount to be cashed out and acknowledging that the request is irrevocable. Said employee shall be entitled to request a cash distribution and shall be paid the first payroll period the following May based on the following criteria:
1. For employees hired on or before December 31, 1992, or appointed to an Executive Management position on or before December 31, 2014: The employee shall be able to request a cash distribution of up to eighty (80) hours of accrued leave at the hourly rate of base pay then existing.
 2. For employees hired on or after January 1, 1993, and on or before December 31, 2023, and appointed to an Executive Management position on or after January 1, 2015: The employee shall be able to request a cash distribution of up to forty (40) hours of accrued leave at the hourly rate of base pay then existing.
- C.** Upon separation from the City, an employee is eligible for a cash out of all Administrative Leave at the Employee's hourly rate of pay existing on the date of his/her separation.
- D.** Pre-Retirement Cash-Out

For an employee hired on or before December 31, 2014 and who is within three or less years of his/her normal CalPERS retirement age (e.g., 50, 55, 57, or 62), he/she may enter into an irrevocable three-year payout agreement, wherein the employee

shall be paid 33% of his/her total accrued administrative leave in the last pay period of the fiscal year in which the agreement was entered. One year following the first payment of the agreement, in the last pay period of the following fiscal year, the Employee shall be paid 50% of his/her remaining total accrued sick leave balance. Two years following the first payment of the agreement and one year following the second payment of the agreement, in the last pay period of the following fiscal year or on the date of the employee's retirement, whichever comes first, the employee's remaining balance of total accrued sick leave shall be paid. The payout amount shall be determined as the employee's hourly base rate at the time the payment is made. Once these Terms and Conditions of Employment are entered and the Employee separates for any reason other than for termination with cause, he/she shall be paid the remaining balance of his/her accrued administrative leave at his/her FLSA hourly rate of pay then existing on the date of his/her separation from the City.

For example, if an employee were to enter into an agreement under the terms of this provision in May 2024 with 900 hours of administrative leave, the first payment of 300 hours will be paid at in the last pay period in June of fiscal year 23/24. During the last pay period of June 2025, half of the remaining 600 hours shall be paid out. If the employee were to then retire on November 30, 2025, the remaining 300 hours shall be paid out.

Upon entering into the agreement, the employee may request that all or a portion of the payment be to his/her deferred compensation account up to the amount permitted by IRS regulations.

An employee who remains employed with the City beyond the date initially anticipated in the agreement, shall have his/her total accrued administrative leave cashed out in the last pay period of each fiscal year.

Employees interested in this arrangement shall contact the Human Resources Department to prepare an agreement, which shall be signed by the employee and the City Manager. This payoff agreement may be executed at any time during the 2023/24 Fiscal Year.

SECTION 12 PERSONAL BUSINESS LEAVE

An Employee may use up to 50 hours in any calendar year as "Personal Business Leave," which shall be taken out of the Employee's accrued sick leave bank for any reason.

ARTICLE V
IMPLEMENTATION OF TERMS AND CONDITIONS

SECTION 1 MODIFICATIONS

Any modification to these Terms and Conditions of Employment must be in writing and approved by the City Council in order for it to be effective.

SECTION 2 EFFECT OF WAIVER

The failure of any party to these Terms and Conditions of Employment to insist on strict compliance with any of the terms, covenants or conditions shall not be deemed a waiver of that term, covenant or condition. Nor shall any waiver or relinquishment of any right or power at one time or times be deemed a waiver or relinquishment of that right or power for all or any other times.

SECTION 3 ENTIRITY

Each Executive is on notice that no representations, inducements, promises, agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreements, statements or promises not contained or referenced in these Terms and Conditions of Employment shall be valid or binding on either party.