



RESOLUTION No. 1521-2022

**RESOLUTION OF THE RIO DELL CITY COUNCIL AUTHORIZING CHANGES TO
EMPLOYEE COMPENSATION AND INCENTIVE PROPOSALS IN ORDER TO
INCREASE EMPLOYEE RECRUITMENT AND RETENTION**

Recitals

A. WHEREAS, the City of Rio Dell, like other California public and private employers, has experienced concerns and pressure related to the procurement and retention of employees for the City of Rio Dell.

B. WHEREAS, the City of Rio Dell City Council seeks to keep and retain its employees and staff, and, by method of this Resolution, authorizes the City Manager to propose the increased compensation terms recited in this Resolution

C. WHEREAS, the City Manager is directed to offer the increased compensation and incentive terms and conditions recited in attached **Exhibit A** (the "Term Sheet") to the City of Rio Dell Employees Association, the Peace Officers Association and Contract Employees as stated in said term sheet.

D. WHEREAS, the City Manager is directed to offer the increased compensation and incentive terms and conditions recited in the "Immediate Employment Incentive Proposals" attached to this Resolution as **Exhibit A** (the "Immediate Employment Incentive Proposals") to the City of Rio Dell Employees Association, the Peace Officers Association and Contract Employees as stated in said Exhibit A.

E. WHEREAS, the City Manager is directed to develop and propose for future City Council consideration the increased compensation and incentive terms and conditions recited in the "Additional Employment Incentive Proposals for Future City Council Consideration" attached to this Resolution as **Exhibit B** (the "Future Employment Incentive Proposals").

Resolved

NOW, THEREFORE, the City Council for the City of Rio Dell does hereby find, determine and resolve as follows:

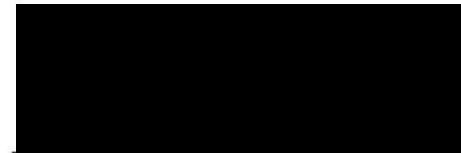
1. The above recitals are true and correct.

2. The City Manager is directed to offer the increased compensation and incentive terms and conditions recited in the "Immediate Employment Incentive Proposals" attached to this Resolution as **Exhibit A** to the City of Rio Dell Employees Association ("RDEA"), the Peace Officers Association ("POA") and Contract Employees as stated in said Exhibit A and, if accepted by the subject employees, work with the City Attorney to prepare and execute amendments to the RDEA Memorandum of Agreement, the POA Memorandum of Agreement and the employment agreements for Contract Employees consistent with the proposals recited in **Exhibit A**.

3. The City Manager is directed to develop and propose to the City Council for future consideration, in the City Council's discretion, the increased compensation and incentive terms and conditions recited in the Future Employment Incentive Proposals attached to this Resolution as **Exhibit B**.

PASSED AND ADOPTED by the City of Rio Dell City Council based upon a motion made by Mayor Pro Tem Johnson and seconded by City Council Member Woodall, at a properly agenzized and noticed meeting of the City Council of City of Rio Dell held on the 18th day of January, 2022, by the following roll call vote:

Ayes:	Garnes, Johnson, Carter, Wilson and Woodall
Noes:	None
Abstain:	None
Absent:	None



Debra Garnes, Mayor

ATTEST:



Kafen Dunham, City Clerk

EXHIBIT A:

IMMEDIATE EMPLOYMENT INCENTIVE PROPOSALS

(Except where specifically stated below, all employment term amendments recited shall apply to all bargaining units and contract employees).

1. **RDEA and POA MOU TERMS.** The durational terms of Rio Dell Employee's Association (RDEA) and Rio Dell Peace Officer's Association (POA) MOUs shall be amended to continue in effect through June 30, 2024.
2. **SALARY SCHEDULE.** The Salary Schedule / Table Resolution incorporated in the RDEA and POA MOUs and each individual agreement shall be updated to reflect a one-time ten percent (10%) increase in base payment scale to all City employee job classifications and steps. This change shall take effect no later than the pay period ending on February 12, 2022.
3. **DEFERRED COMPENSATION.** The City of Rio Dell does not yet participate in and is not a party to the Public Employees Retirement System of the State of California. The Employer participates in a Deferred Compensation Plan. In addition to the Employer contribution spelled out in each MOU and individual agreement, the Employer shall match Employee contribution towards deferred compensation of up to four percent (4%) of the Employee's base salary, not to exceed any applicable IRS cap for the given year in total Deferred Compensation contributions.
4. **INCENTIVE PAY.** Employees who live full time within the jurisdictional limits of the City of Rio Dell shall receive a one-time three percent (3%) increase to their base salary. Employees who receive this incentive and subsequently move outside of City limits shall forfeit the incentive effective upon their move-out date.

Employees who fluently speak both Spanish and English languages shall be entitled to a one-time, five percent (5%) increase to their base salary. Certification procedures shall be set by the City of Rio Dell, in its discretion, for third party verification of fluency.

Employees within the Peace Officer's Association (POA) who obtain and retain any of the following Peace Officer's Standards and Training (POST) certifications shall receive a one-time incentive pay increase equal to three percent (3%) of base pay for each certification: (1) Intermediate, (2) Advanced and (3) Supervisorial.
5. **POLICE CADET PROGRAM.** The City shall develop and institute a sponsored Cadet Program for the College of the Redwoods Police Academy. The terms and conditions of the sponsored Cadet Program shall be subject to the review and approval of the City Council, in its discretion.
6. **BEREAVEMENT LEAVE.** Up to five (5) days of special leave with pay may be granted annually to an employee whose employment status normally entitles him to vacation and

sick leave benefits, for one or more deaths that occur in the employee's immediate family, upon written request to and the approval of the City Manager. For purposes of this entitlement "immediate family" shall include the Employee's child, parent, grandparent, grandchild, sibling, spouse, or domestic partner as those terms are defined in the California Family Rights Act at California Government Code Section 12945.2 and its subparts.

7. **ACCRUED VACATION LEAVE.** Rio Dell Employee Association and Peace Officers Association members may elect to cash out up to a maximum of 40 hours of vacation leave per fiscal year provided that at least 40 hours of accrued vacation leave remains for the electing employee following the cash out.

8. **VACATION BENEFITS.** Employees who work for the City for less than one year are eligible to use accrued vacation with approval of their supervisor.

9. **REGULAR PART-TIME POSITION(S).** A position in which an employee is paid on an hourly basis for working a continuing, year-round work week of fewer hours than the established work week, but 21 hours or more of a regular full-time work week, in the department in which they are employed. Employees working less than 21 hours (0.525 FTE) shall be considered temporary extra-help.

No Vacation for Temporary Employees. No vacation with pay is allowable to temporary employees.

Part-Time Vacation Accumulation. Regular part-time employees shall be entitled to vacation benefits provided by this Section in that proportion that the actual number of hours worked bears to full-time employment.

Part-Time Employee Sick Leave Computation. Regular part-time employees shall be entitled to sick leave benefits as provided by this Section in that proportion that the actual number of hours worked bears to full-time employment.

10. **WAGE REOPENER.** Employees and Employer may agree that, subject to an identified increase or decrease in City revenue, either party may reopen negotiations on the RDEA and POA MOUs by providing written notice of the intent to do so by October 1 of each year for negotiation of wages for the following fiscal year starting July 1. The written notice shall include specifically identified changes to City revenue to justify the reopening of wage negotiations.

EXHIBIT B:

**ADDITIONAL EMPLOYMENT INCENTIVES FOR FUTURE CITY COUNCIL
CONSIDERATION**

1. **EMPLOYEE ASSISTANCE PROGRAM.** The City shall seek to develop and implement an Employee Assistance Program (EAP) no later than June 30, 2022, applicable to all employees of the City of Rio Dell, the precise terms of which will be presented to the City Council for review and approval, in the Council's sole discretion, prior to implementation.

2. **HOMEBUYER PROGRAM.** The City shall consider implementation of a first-time homebuyers program for Employees who have been employed by the City for no less than one full year, full time and are in good standing. The program shall apply to first homes only constituting the Employee's primary residence. The first home must be purchased within the jurisdictional limits of the City of Rio Dell in order to qualify. Any program must be approved by the City Council prior to implementation, in the City Council's sole discretion.

**CITY OF RIO DELL
COMMUNITY DEVELOPMENT DIRECTOR
EMPLOYMENT AGREEMENT**

This Employment Agreement (this "Agreement") is made and entered by and between the **CITY OF RIO DELL**, a municipal corporation of the State of California, hereinafter referred as the "Employer" or "City" and **KEVIN CALDWELL**, hereinafter referred to as "Employee" or "Community Development Director", both of whom understand as follows:

RECTIALS

A. **WHEREAS**, Employer desires to employ the services of Kevin Caldwell as Community Development Director of the City of Rio Dell; and

B. **WHEREAS**, it is the desire of the Employer, to provide certain benefits, establish certain conditions of employment, and set working conditions of said Employee; and

C. **WHEREAS**, Employee desires to accept employment as the Community Development Director of the said City.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

SECTION 1. DUTIES. Employer hereby agrees to employ Kevin Caldwell as Community Development Director of said Employer to perform the functions and duties specified in the Ordinances of said City, pursuant to California Government Code section 36506, and to perform other legally permissible and proper duties and functions as the Community Development Director shall from time to time be assigned.

SECTION 2. TERM. This Agreement shall remain in effect through June 30, 2023, unless Employee's term of employment is terminated earlier as provided in this Section 2 or Section 3 of this Agreement, or by the voluntary resignation of Employee. Should Employee elect to resign, Employee shall provide Employer with thirty (30) days written notice prior to resignation.

- a. **Termination from Employment; 90 Day Limitation on Termination and Severance Pay.** Except in the event of immediate termination for cause as a result of a conviction or a plea of no contest to a felony as stated in Section 2.b. of this Agreement, below, the Community Development Director shall not be terminated from employment within the ninety (90) day period following the appointment of a new City Manager. The purpose of this provision is to allow any newly appointed City Manager to directly observe the actions and ability of the Community Development Director in the performance of the powers and duties of his office. In all other circumstances, the Community Development Director can be terminated from

employment with or without cause and for any reason (or no reason at all) following two (2) weeks written notice from the City Manager, and without notice under Section 2.b. of this Agreement. In the case of employment termination prior to expiration of this Agreement (i.e., prior to June 30, 2023) the Community Development Director shall be entitled to receive severance in a lump sum and all unused vacation, and executive leave time, as **Employee's sole and exclusive remedy and right(s) to payment at employment termination.** "Severance" shall be paid according to the following schedule:

<u>Years of Continuous Service</u>	<u>Severance Pay</u>
0-1 year	2 months' salary
1-2 years	3 months' salary
2-3 years	4 months' salary
3-4 years	5 months' salary

b. **Severance Payment Exception.** Should the Community Development Director be terminated for cause or as a result of a conviction or plea of no contest to a felony no severance pay will be provided upon employment termination. If the Community Development Director voluntarily leaves employment with the City of Rio Dell or resigns, no severance pay will be provided upon separation.

SECTION 3. SUSPENSION OR REMOVAL. The Employee may be suspended, removed, or dismissed from the service of the City of Rio Dell at any time during the term of this Agreement pursuant to Section 2 above or to the provisions of any applicable City of Rio Dell Ordinances.

SECTION 4. DISABILITY. Employer may terminate Employee's employment if Employee suffers a disability that renders Employee unable, as determined in good faith by the City Manager, to perform the essential functions of the position, even with reasonable accommodation, for four months (twelve weeks) in any 12-month period. If Employee's employment is terminated under this Section 4, Employee shall be compensated for all accrued obligations through the termination date, which for purposes of this section shall be a date specified by the City Manager. Employer shall also pay to Employee a severance pay as set forth in Section 2 above. After the termination date, Employer shall not pay to Employee any other compensation or payment of any kind, or severance, or payment in lieu of notice. All benefits provided by Employer to Employee under this Agreement or otherwise shall cease on the Termination Date.

SECTION 5. SALARY. The Salary for the Community Development Director shall be as follows: **Effective July 1, 2020 through June 30, 2023, the salary schedule for the Community Development Director shall be set in accord with the longevity based salary steps set forth in the salary pay scale adopted by the Rio Dell City Council on _____, 2020, as Resolution No. 2020-_____, a copy of which is attached hereto as Exhibit "A" and incorporated by reference (the "Salary Schedule").** Since the Community Development Director has been employed by the City in excess of five (5)

years (i.e., the highest step increase), the salary during the term of this MOU is set at the highest step in the Salary Schedule.

Employee shall receive a five percent (5%) increase upon completion of ten (10) years of continuous, uninterrupted employment with the City, and another five percent (5%) increase upon completion of twenty (20) years of continuous, uninterrupted employment.

SECTION 6. PERFORMANCE EVALUATION. The City Manager shall review and evaluate the performance of the Employee not later than twelve (12) and twenty four (24) months from the effective date of this Agreement. From time to time as may mutually be deemed appropriate, the City Manager and Employee shall define such goals and performance objectives in writing which are determined necessary for the proper operation of the Department and City. Such goals and performance objectives shall be considered as part of the annual performance review of Employee.

SECTION 7. HOURS OF WORK. The Community Development Director is limited to 32 hours per week of work. This arrangement can be altered by mutual agreement of the City and the Employee. It is recognized that Employee may be expected to work in excess of eighty (64) hours per pay period at the direction of the City Manager. Employee shall receive no overtime pay or compensatory time off. Employee acknowledges that the position of Community Development Director is an administrative level, supervisory position exempt from rights to overtime pay under California Wage and Hour law and regulations.

SECTION 8. OTHER EMPLOYERS OR OUTSIDE ACTIVITIES. Employee agrees to remain in the exclusive employ of Employer and not to become employed by any other employer in other employment until termination of the employment relationship. The term "other employment" shall not be construed to include occasional teaching, writing, consulting, or military reserve service performed on Employee's time off. Employee shall not spend more than four (4) hours per week in teaching, counseling, or other non-employer connected business without the prior written approval of the City Manager.

SECTION 9. AUTOMOBILE. Employee's duties require that he shall have the use at all times during his employment with Employer an automobile to perform Employer's business. Employee's use of his private vehicle for City business shall be reimbursed to Employee at the current standard mileage rate as published by the United States Internal Revenue Service. Subject to the provisions of the City's separate Travel and Reimbursement Resolution, Employee shall be responsible for paying for all gas, maintenance, and repair of said automobile. Employee shall be responsible for paying for all liability, property damage, and comprehensive insurance on said automobile. Employee shall maintain a valid driver's license and maintain insurable driving status as defined by City's insurance coverage. Employee shall provide employer with a Department of Motor Vehicle H-6 report annually to verify minimum driving standards.

SECTION 10. VACATION, SICK LEAVE, HOLIDAYS, AND EXECUTIVE TIME. For the health and welfare of its employees, it is the policy of the City of Rio Dell that employees be encouraged to use the vacation benefits granted by the City and shall take an annual vacation of at least 40 hours.

Employee will receive eighty (80) hours of executive leave each fiscal year in (2) installments; 40 hours on July 1 and 40 hours on January 1. The taking of vacation and executive leave time shall be coordinated with and approved by the City Manager, who shall not unreasonably withhold their approval.

Employee may cash out or utilize the Executive Time installment beginning July 1. Employee shall be paid on the first pay period of June for each calendar year during the term of this agreement for accrued Executive Leave that remains unused or unpaid during the previous (12) months.

Employee accrues a sick leave benefit of eight (8) hours each calendar month actually worked by Employee, Rules pertaining to the use of sick leave are detailed in the Rio Dell Personnel Rules.

Upon the employee's separation from City service, he or she shall be paid for any accrued sick leave beginning after five years of full time employment based upon the following schedule:

5 – 7 years	-	10%
8 – 12 years	-	15%
13 – 20 years	-	20%
21 + years	-	25%

The amount paid out under this Article shall not exceed 240 hours.

Vacation time shall accrue in accord with the following schedule based on years of continuous employment service to the City:

<u>Years of Continuous Service</u>	<u>Hours per Year</u>	<u>Accrual Max.</u>
One to three (1-3)	80 hours	120 hours
Four to ten (4-10)	120 hours	180 hours
Eleven to fifteen (11-15)	160 hours	240 hours
Sixteen to twenty (16-20)	200 hours	300 hours

Employee shall also be entitled to the same paid holidays as the Rio Dell Employees' Association.

SECTION 11. ACCRUED VACATION LEAVE. The amount of vacation time allowed to be accrued at the end of any pay period shall not exceed 1.5 times the annual amount of vacation time for the Employee's year of service stated in the schedule recited in Section 10 (not to exceed a maximum of 300 hours). Upon reaching the applicable vacation accrual maximum in accord with the schedule recited in Section 10, Employee will not earn or accumulate additional vacation time and shall be automatically cashed out of 40 hours of accrued vacation, to be paid in the next pay period.

Employee may elect to buy down his vacation accrual at any time, provided that he has scheduled a vacation leave with the City Manager as appropriate or has taken his annual vacation and the balance in his vacation account will be at least 40 hours after the buy down.

SECTION 12. WORK RELATED EXPENSES AND REIMBURSEMENT. Employer agrees to reimburse the Employee such verifiable work related out-of-pocket expenses incurred by the Employee as approved by the City Manager. Employee shall submit an itemization schedule of his out-of-pocket expenses to the City Manager in writing in the form of a purchase order for payment. Employer also agrees to pay Employee a monthly cell phone allowance to ensure Employee can be contacted at all times. Employee must maintain cell phone service. The City's cell phone policy established by separate Resolution of the City Council is applicable in all regards for Employee.

SECTION 13. MEDICAL, DENTAL AND VISION INSURANCE REIMBURSEMENT. Medical, Dental and Vision Insurance shall be provided for the Community Development Director as the City provides for other management positions. The contribution amount by the City shall be 100% of the premium costs for these benefits for Employee and 70% of the total premium costs for Employee's dependents, depending on their age and status as a student as provided in the plan document. The City reserves the right to choose, in the City's unilateral discretion, alternative medical coverage during the term of this Agreement. If the City elects to procure alternative medical coverage during the term of this Agreement, the City will seek to procure insurance of approximate comprehensive equivalency, but Employee acknowledges that Employee has no expectation that comparable coverage will continue since the City, like all insurance coverage procurers, is subject to significant fluctuations in the scope, availability and cost of insurance. Employee may elect to substitute compensation for health, dental, and vision insurance coverage. The level of compensation shall be \$125 per pay period for all health, vision and dental coverage, collectively. Proof of alternative health insurance must be provided to Employer before the requesting Employee may substitute compensation for insurance. Although the City is not obligated to pay a higher amount, Employee may request to re-negotiate the \$125 figure during the Term of this Agreement.

If elected by Employee and if the Employee has a spouse/qualified dependent who has reached the age of 65 and is eligible for Medicare coverage, Employee shall be entitled to a stipend of One Hundred and Fifty (\$150.00) dollars (less applicable payroll taxes) per pay period in lieu of City provided health insurance coverage through the City's current medical plan for the spouse/qualified dependent and effective upon the spouse/qualified dependent's removal from the City's plan. The amount of the stipend is in addition to the Employee's regular salary and is subject to all payroll taxes as required by law, with Employee bearing and paying the regular portion of payroll tax allocated to Employee.

SECTION 14. DEFERRED COMPENSATION. The Employer does not yet participate in and is not a party to the Public Employees Retirement System of the State of California. The Employer participates in a deferred Compensation Plan. The Employer shall contribute and pay an amount equal to twelve percent (12%) of the Employee's salary to the Deferred Compensation Plan to the extent accrued proportional to the amount of time worked during any given year.

SECTION 15. LIFE INSURANCE. A term life insurance policy in the amount of Seventy-Five Thousand Dollars (\$75,000.00) shall be provided by the Employer for the Employee, with the Employee entitled to designate Employee's beneficiary.

SECTION 16. AGREEMENT EFFECTIVE. This Employment Agreement shall become effective July 1, 2020 and shall remain in effect through June 30, 2023, subject to potential early termination under Sections 2, 3 and 4 of this Agreement and changes pursuant to amendments or adjustments made at mutually agreed upon times throughout Employee's term of employment with Employer.

SECTION 17. INDEMNIFICATION. Employer 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 duties as Community Development Director. Employer's indemnity obligation shall not apply to any claims or liabilities, of any type or nature, arising out of any intentional acts, criminal acts or willful misconduct of Employee.

SECTION 18. BONDING. Employer shall bear the full cost of any fidelity or other bonds required of the Employee under any law or ordinance.

SECTION 19. DUES AND SUBSCRIPTIONS. Employer agrees to budget and to pay for the professional dues and subscriptions of Employee necessary to support growth, advancement and active communication for the good of the City. Employee shall distribute to and share with the City Manger written material and information distributed by the said associations.

SECTION 20. LICENSING AND TRAINING. Employer agrees to budget and pay for the professional licensing and continued education of Employee for training as necessary and approved by the City Manager.

SECTION 21. TRAVEL EXPENSES. Employer hereby agrees to budget for and to pay the travel and subsistence expenses of Employee for official and professional travel of Employee while on City business, provided that the City Manager has first approved and authorized said travel and training expenses.

SECTION 22. ATTORNEY'S FEES. Should any litigation be commenced between the parties to this Agreement or the rights and duties of either relationship thereto, the prevailing party in such litigation shall be entitled in addition to such other relief as may be granted, to reasonable sum as and for attorney's fees which shall be determined by the court.

SECTION 23. OTHER TERMS AND CONDITIONS OF EMPLOYMENT. The City Manager may fix any such other terms and conditions of employment, not in conflict with City Ordinances, Rules or Policies, as he/she may determine from time to time, relating to the performance of Employee.

SECTION 24. NOTICES. Notices pursuant to this Agreement shall be given by deposit in the custody of the United States Postal Service, postage prepaid, addressed as follows:

EMPLOYER
City of Rio Dell
Rio Dell City Hall
675 Wildwood Ave
Rio Dell, California 95562

EMPLOYEE
Kevin Caldwell
675 Wildwood Avenue
Rio Dell, CA 95562

Alternatively, notices required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial practice. Notice shall be deemed given as of the date of personal service or as of the date of deposit of such written in the course of transmission in the United States Postal Service.

SECTION 25. GENERAL PROVISIONS.

- A. The text herein shall constitute the Agreement between parties.
- B. This Agreement shall be binding upon and inure to the benefit of the heirs at law and executors of Employee.
- C. This Agreement shall become effective commencing immediately, subject to Section 16 above.
- D. If any provision, or any portion thereof, contained in this Agreement is held unconstitutional, invalid or unenforceable, the remainder of this Agreement, or portion thereof, shall be deemed severable, shall not be affected and shall remain in full force and effect.
- E. This Agreement (including all Exhibits attached hereto) contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior understandings with respect thereto. This Agreement may not be modified, changed, supplemented or amended except by written instrument signed by the party to be charged or by its agent duly authorized in writing or as otherwise expressly permitted herein.

SECTION 26. STIPEND. The City shall provide a one-time stipend of \$1,040.00 to Employee which shall be paid in two installments as follows: (1) \$520 the first full pay period following ratification of this Agreement and within the 2020-21 fiscal year, and (2) \$520 within the first full pay period in December 2020.

IN WITNESS WHEREOF, the City of Rio Dell has caused this Agreement to be signed and executed in its behalf by its City Manager, and the Employee has signed and executed this Agreement, both in duplicate.

EMPLOYEE

Kevin Caldwell
Community Development Director

Date

EMPLOYER

Kyle Knopp
City Manager

Date

Approved as to form:

Russell Gans, City Attorney

Date