

EXHIBIT B

2008-2009, 2009-2010 and 2010-2011 COMPENSATION PLANS FOR ELECTED AND APPOINTED COUNTY OFFICIALS

Applicability

This plan covers the salaries and benefits of elected and appointed officials of the County of Humboldt.

Public Employees' Retirement System

I.R.S. Code Section 414 (H) (2)

The County shall implement I.R.S. Code Section 414 (H) (2) by having employees pay their own required members contributions to the Public Employees' Retirement System. This shall apply to both miscellaneous and safety categories.

Salary Adjustments

All employees covered by this plan shall receive a 6% salary adjustment effective June 29, 2008. All employees covered by this plan shall receive a 4% salary adjustment effective June 28, 2009, and a 3% salary adjustment effective June 27, 2010.

Sick Leave Payoff

Employees newly hired into an appointed department head position after December 31, 1996 shall not be eligible for compensation for unused sick leave upon separation from County service. Employees promoted/appointed to an appointed department head position after December 31, 1996 shall be eligible for compensation for unused sick leave upon separation from County service if their original hire date was prior to January 1, 1997.

Sick Leave Conversion

Any County employee hired prior to January 2, 1997, may, in the 36 months prior to retirement, elect to have any portion of accumulated sick leave that is subject to compensation upon retirement, compensated by having the cash equivalent deposited into deferred compensation, subject to applicable State and Federal laws. The amount of sick leave an employee may elect to convert is based upon their sick leave payoff compensation percentage as of the date they make the deposit(s). Employees must have completed at least 14 years of continuous service to the

County to be eligible for sick leave conversion. The employee may elect to do this in one deposit or to have up to three separate deposits in three separate calendar years.

At no time shall an employee reduce their accumulated sick leave to less than three weeks by deposit into deferred compensation.

Any sick leave subject to compensation that remains upon separation shall be paid to the employee by check or by deposit into deferred compensation, at the employees' option.

Holidays

Appointed department heads shall receive a total of two floating holidays each fiscal year. One of the floating holidays must be used during the fiscal year earned and does not carry over into the next fiscal year.

Administrative Leave for Appointed Department Heads

- A. Ten (10) days of administrative leave will be available to each appointed department head, effective the first pay period beginning in July through the last pay period beginning in June. Such leave shall not be carried into succeeding fiscal years, and such leave shall be forfeited upon termination of employment. Employees hired into an appointed department head position shall receive ten (10) days of administrative leave effective upon the date of hire, and may be allowed to use such leave immediately.
- B. Under unusual circumstances, an appointed department head unable to utilize the unused administrative leave they had when appointed as a department head may request that the unused administrative leave be carried into the next fiscal year. The employee must have been in an acting appointed department head status for at least 4 full calendar months to be eligible to request the carry over. The employee must make the request in writing to the Personnel Director on or before June 15. Administrative leave carried over but not used prior to September 30 shall be forfeited.

Vacation Conversion

Appointed department heads shall have the option to convert up to twenty days of vacation credit to cash or as a contribution to the County's deferred compensation plan. Such conversion shall be administered as follows:

1. Employees may request to convert vacation credit during the month of November, on a form provided by the Auditor-Controller's Office.

2. Said conversion shall be paid to employees or contributed to the County's deferred compensation plan on either the first or second payday in December.
3. Employees may convert up to twenty regular work days of vacation credit to cash or as a contribution to the County's deferred compensation plan.
4. Employees may only request vacation conversion one time per calendar year.

Benefits

In addition to benefits which may be provided by other written policies, the following benefits will be made available to elected and appointed officials:

- A. Life insurance in the amount of \$20,000
- B. Annual Physical Examination

All elected and appointed officials covered by this Plan shall be eligible for a physical examination every other fiscal year. The County shall pay for such exam. Prior to the implementation of this benefit, the contents of the physical examination and the provider for the exam shall be mutually agreed to by the County and representatives of the elected and appointed officials covered by this Plan.

Catastrophic Leave (Appointed Department Heads)

- A. Definition of Catastrophic Illness or Injury

Catastrophic illness or injury is a severe illness or injury which is expected to incapacitate the employee for an extended period of time and which creates a financial hardship because the employee has exhausted all of his/her accumulated paid leave time.

Catastrophic illness or injury is further defined as a debilitating illness or injury of an employee's spouse, domestic partner, son or daughter that results in the employee being required to take time off from work for an extended period to care for the family member, when this creates a financial hardship because the employee has exhausted all of his/her accumulated paid leave time. An employee's job related illness or injury subject to workers' compensation coverage shall not be eligible for this catastrophic leave provision.

- B. Conditions Under Which Paid Leave Time May Be Donated to an Employee

1. Any employee may donate accumulated vacation, compensatory time or holiday time to an eligible employee. Sick leave cannot be donated.

2. Donations must be made in increments of one regular work day (or more) from the donating employee.
3. The donation of paid leave time is irreversible. Should the employee receiving the donated hours not use all donated leave for the catastrophic illness/injury, any balance will remain with that employee or will be converted to cash upon the employee's separation from County employment.
4. Donated paid leave time shall be converted to its cash value and then credited to the recipient in hours at the recipient's base hourly rate as holiday credit.
5. Employees donating paid leave time shall do so in writing on a form developed by the County.
6. All donation transactions shall be credited effective the pay period following submittal of the form requesting the paid time donation.

C. Conditions Under Which Paid Leave Credits May be Used

1. The employee requesting to use "catastrophic leave" shall submit a written request to the County Administrative Officer (C.A.O.) for review. The request must include a written statement from a licensed physician verifying the illness or injury. If the C.A.O. approves the request it shall be forwarded to the Auditor-Controller for implementation, along with the form from the employee donating time to the affected employee.
2. The affected employee must have exhausted any accumulated paid leave time for which they are eligible (sick, vacation, compensatory, holiday) prior to utilizing catastrophic leave.
3. Any paid leave time accrued by the affected employee while using donated time must be used during the next pay period.
4. Only employees who accrue vacation are eligible to receive donated paid leave time.
5. The use of donated paid leave time shall not exceed three months for any one catastrophic illness/injury.
6. In no event shall a leave for the recipient employee be granted for longer than one year from the time the employee is unable to work in his/her regular job.

Voluntary Furlough

Appointed department heads may request a voluntary unpaid furlough using the following guidelines:

1. The leave (furlough) would be granted only after prior approval of the appointing authority
2. Leave is not to exceed 520 hours per year.
3. Leave is not to be used in lieu of medical leave.
4. Credits toward sick leave, vacation, and holiday eligibility would accrue as if the employee were in paid status.
5. Leave shall be granted without requiring the employee to use other accumulated leave time first.
6. Leave shall be granted only to those employees who are in paid status the entire work day before and the entire work day after the leave day(s).
7. Leave shall not be available to employees on other leave without pay.

Longevity Incentive Pay

Employees who have ten (10) years of interrupted continuous County service shall be eligible for an increase in compensation of 5%.

Longevity calculations shall be counted from the initial date of hire into any regular or grant position as long as there has been no separation from County service. Time spent in layoff status, on medical leave or any unpaid leave greater than 30 calendar days shall not be counted as time worked for longevity calculations. Should an employee be separated from County employment due to layoff, and then return to regular County employment while in layoff status their calculation for longevity purposes shall be based on their initial date of hire into a regular or grant position prior to the date of layoff. Effective July 8, 2007, employees who have twenty (20) years of uninterrupted continuous County service shall be eligible for an increase in compensation of an additional ten (10) salary ranges (approximately 5%).

Compensation Increase for Added Workload/Staffing/Program Responsibilities

Should a department head have a significant increase in regular employee staffing levels; and/or workload due to increased overall number of County employees; and/or added defined or

separate programs increasing their individual department responsibility, they shall be eligible for added compensation utilizing the following criteria:

1. A combination of increased staffing and workload as well as the addition of at least 1 major new defined or separate program.
2. A combination of increased regular employee staffing (at least 50% over the immediately preceding 10 years) and the addition of several major new programs.

It is understood that the programs must be new, have significant impact on the responsibility level of the department head and must be substantially different in nature from programs that were provided previously or must be a major addition to a current program, for example, Managed Care in the Mental Health Department.

Added compensation shall range from a minimum of 5% (for #1 above) to a maximum of 10% (#2 above). The Board of Supervisors may increase the compensation within the range of 5% to 10% should they determine that the increased individual department head responsibility falls somewhere between #1 and #2.

A department head who believes they meet the criteria for added compensation under this policy should send a letter to the County Administrative Officer (CAO) and Personnel Director, requesting consideration under the policy and stating the specific reasons why they should be considered. The CAO and Personnel Director shall review the request and prepare a report to the Board of Supervisors with their recommendation(s). If added compensation is approved by the Board of Supervisors said increase shall be effective the first day of the pay period following approval by the Board of Supervisors.