



City of Capitola

Department Head's and Chief of Police Compensation and Benefits Plan

Effective July 1, 2015

Purpose and Intent

This Compensation and Benefits Plan (Plan) is intended to establish compensation, benefits and terms and conditions of employment for Department Heads and the Chief of Police. The City Manager has the authority to hire Department Heads and the Chief of Police, and to adjust their compensation consistent with this Plan. Department Heads and Chief of Police are exempt from the Fair Labor Standards Act (FLSA), are at will employees, serve at the pleasure of the City Manager and can be terminated with or without notice or cause and with no rights of appeal.

1) SALARY SCHEDULE

- a) This Plan covers positions in the job classes and salary schedule set forth in Attachment A, incorporated in and made a part of this document.
- b) Longevity: 5% base pay increase following 12 full years of employment. (Does not apply to Chief of Police)

2) SEVERANCE PAY

If a Department Head is terminated by the City Manager, the City will pay the Department Head an amount equal to four months salary and four months Flexible Spending Arrangement Contribution benefits. Additionally, the Department Head will receive payment for all vacation leave accrued to the date of separation. The same terms apply to the Chief of Police with the exception of six months' salary and Flexible Spending Arrangement Contribution. However, if an employee is terminated because of conviction of any criminal offense or "for cause", the City shall have no obligation to continue the employment of the Department Head or pay severance pay.

3) ADMINISTRATIVE LEAVE ACCRUAL

80 hours per calendar year, prorated depending upon date of hire. No accumulation and may not be converted to cash.

4) PERSONAL HOLIDAYS

Three personal holidays per calendar year, prorated depending upon date of hire. No accumulation and may not be converted to cash.

5) VACATION

- a) Vacation Accrual:

Years of Employment	Vacation Days
1 and 2	12
3 and 4	14
5 through 9	17
10 through 19	22
20 and higher	27

- b) The City Manager has the authority to place a new Department Head or Police Chief at a specific accrual rate.

- c) Upon termination, payment will be made for all accumulated vacation to the separation date, at a rate equal to 100% of the current hourly pay rate.
- d) Vacation Cap: All hours in excess of 360 hours on the last pay period of April of any year will be cashed out. Exception will be for any employee under a previous agreement who has accumulated more than 360 hours as of January 1, 2011; employee may maintain that level of 504 hours provided however if that if accumulated vacation falls below 504 at anytime during the year, then that will be the new allowable level until employee reaches 360 hours.
- e) Optional Vacation Cash Out: In any calendar year, Department Head or Police Chief may cash out up to 80 hours of accumulated vacation.

6) SICK LEAVE

Sick leave will accrue at a rate of 12 days per year. Unlimited accumulation and may not be converted to cash.

7) FLEXIBLE SPENDING ARRANGEMENT CONTRIBUTIONS

- a) Employees are eligible to enroll in a CalPERS medical plan, Dental and Vision Plan. The City makes a contribution on behalf of each qualified employee (Attachment A).
- b) Cash Out: Employees who can verify to the City's satisfaction that: they have equivalent health coverage for medical (including dental and vision), which will remain in effect until the next enrollment date; or who purchase a CalPERS Health Plan and dental and vision coverage, but do not use their entire monthly contribution, may use the remaining funds to purchase benefits other than medical (including dental and vision) coverage or take this amount in cash for the "Employee only" contribution amount. (If a cash payment is taken, it is not included in the employee's compensation for the CalPERS retirement plan)

8) FLEXIBLE SPENDING ACCOUNTS

The City offers a Healthcare Spending Account with an annual election limit of \$2,500 and a Dependent Care Spending Account with annual election limit of \$5,000.

9) RETIREMENT

a) CalPERS Retirement Benefits for Classic Members:

- i) Tier 1 Non-Sworn: The City participates in the California Public Employees' Retirement System (PERS). Benefits provided are detailed in separate publications. The City agrees to provide 2.5% at 55 Retirement Plan for non-sworn employees in the Unit and the single-highest-year option.

For all eligible employees hired prior to July 1, 2012, the employee contribution to the PERS retirement system will be the following:

Effective June 21, 2015, Non-Sworn employees will contribute 11.292% of their reportable salary to PERS.

Effective the first full pay period in July 2016, Non-Sworn employees will contribute 11.292% of their reportable salary to PERS plus an additional percentage defined in Attachment: Exhibit A – Job Classes and Salary Schedule. If the Pay Increase is 3.0% or less, employees will contribute an additional 1% of their reported salary to PERS. . If the Pay Increase is greater than 3.0% and less than or equal to 3.5%, the employees will contribute an additional 1% plus the amount greater than 3.0% to

PERS. For example, if the Pay Increase on July 1, 2016 was 2.8%, the Non-Sworn employees would contribute 12.292% (11.292% + 1%) starting July 1, 2016. If the Pay Increase was 3.2% the Non-Sworn employees would contribute 12.492% (11.292% + 1.2%) starting July 1, 2016.

Effective the first full pay period in July 2017, Non-Sworn employees will contribute to PERS the amount effective June 30, 2017, plus an additional percentage defined in Attachment: Exhibit A – Job Classes and Salary Schedule. If the Pay Increase is 3.0% or less, employees will contribute an additional 1% of their reported salary to PERS. If the Pay Increase is greater than 3.0% and less than or equal to 3.5%, the employees will contribute an additional 1% plus the amount greater than 3.0% to PERS.

- ii) Tier 2 Non-sworn employees defined by PEPRA as “classic employees” hired on or after July 1, 2012, the employee contribution to the PERS retirement system will be the following:

Effective June 21, 2015, eligible Non-Sworn employees defined by PEPRA as “classic employees” hired on or after July 1, 2012, will contribute 15.292% of their reportable salary to PERS.

Effective the first full pay period in July 2016, eligible Non-Sworn employees defined by PEPRA as “classic employees” hired on or after July 1, 2012 will contribute the same percentage of their reportable salary as applicable to those hired prior to July 1, 2012.

- iii) Tier 1 Sworn: The City participates in the California Public Employees Retirement System (PERS). Benefits provided are detailed in separate publications. The City agrees to provide 3.0% at 50 Retirement Plan for Safety employees in the Unit and the single-highest-year option.

For all eligible Sworn employees hired prior to July 1, 2012, the employee contribution to the PERS retirement system will be the following:

Effective June 21, 2015, Sworn employees will contribute 12.874% of their reportable salary to PERS.

Effective the first full pay period in July 2016, Sworn employees will contribute 12.874% of their reportable salary to PERS plus an additional percentage tied to the Pay Increase defined in. If the Pay Increase is 3.0% or less, employees will contribute an additional 1% of their reported salary to PERS. If the Pay Increase is greater than 3.0% and less than or equal to 3.5%, the employees will contribute an additional 1% plus the amount greater than 3.0% to PERS. For example, if the Pay Increase on July 1, 2016 was 2.8%, the Sworn employees would contribute 13.874% (12.874% + 1%) starting July 1, 2016. If the Pay Increase was 3.2% the Non-Sworn employees would contribute 14.074% (12.874% + 1.2%) starting July 1, 2016.

Effective the first full pay period in July 2017, Sworn employees will contribute to PERS the amount effective June 30, 2017, plus an additional percentage defined in Attachment: Exhibit A – Job Classes and Salary Schedule. If the Pay Increase is 3.0% or less, employees will contribute an additional 1% of their reported salary to PERS. If the Pay Increase is greater than 3.0% and less than or equal to 3.5%, the

employees will contribute an additional 1% plus the amount greater than 3.0% to PERS.

- iv) Tier 2 Sworn employees defined by PEPRA as "classic employees" hired on or after July 1, 2012, the employee contribution to the PERS retirement system will be the following:

Effective June 21, 2015, eligible Sworn employees defined by PEPRA as "classic employees" hired on or after July 1, 2012, will contribute 16.494% of their reportable salary to PERS.

Effective the first full pay period in July 2016, eligible Sworn employees defined by PEPRA as "classic employees" hired on or after July 1, 2012, will contribute the same percentage of their reportable salary as applicable to those hired prior to July 1, 2012.

- b) CalPERS NEW Members:

- i) Individuals that have never been a member of any public retirement system prior to January 1, 2013, or
- ii) Individuals who moved between retirement systems with more than a six month break in service; and
- iii) In compliance with the California Public Employees' Pension Reform Act of 2013, (PEPRA), new members will receive a Local Miscellaneous benefit formula of 2% @ 62, Sworn will receive a benefit of 2.7% @ 55. Employees will contribute 50% of the normal cost as determined by CalPERS. The employee contribution from pay is on a pre-tax basis pursuant to 414(h)(2). Final compensation, for purposes of calculating the retirement benefit, is calculated on the highest average pensionable compensation earned by a member during a period of 36-consecutive months. This is also referred to as the 3-year average.

10) HOLIDAYS

12 Holidays per calendar year, as follows: New Year's Day, Martin Luther King, Lincoln's Birthday, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day, Friday following Thanksgiving, Christmas Day. In addition, City Hall will be closed for one week during the Christmas holidays during which employees are permitted to use vacation, personal holiday or sick leave in order not to lose compensation.

11) INSURANCE

The City provides short-term disability for non-sworn and long-term disability insurance for both as well as term life insurance in the amount of \$50,000

12) VEHICLE USE

The Chief of Police is entitled to use a spare Captain's vehicle for commuting to and from work within Santa Cruz County and for business purposes.

13) UNIFORM

Chief of Police: City will purchase the initial uniform at a cost not to exceed \$2,500. City will pay for reasonable cleaning of the uniform at a cost not to exceed \$250/yr.

14) POLICE CHIEF DEFFERED COMPENSATION

The City may make contributions to a 457 Deferred Compensation Account (or equivalent account as determined by the City Manager) up to 8.267% of employee's regular salary (not including Flex Credit, cell phone allowance, or other compensation.). These contributions shall not be considered pay rate or special compensation and are not to be reported to PERS as such.

15) POLICE CHIEF RECRUITMENT

The City Council shall approve the recruitment process for the Police Chief at a City Council meeting as recommended by the City Manager.

Attachment: Exhibit A – Job Classes and Salary Schedule

**DEPARTMENT HEADS AND CHIEF OF POLICE
JOB CLASSES AND SALARY SCHEDULE**

EFFECTIVE AUGUST 15, 2014

Positions covered by Plan

Chief of Police
 Director of Public Works
 Director of Finance
 Community Development Director
 Administrative Services Director

Salary Schedule

POSITION	Minimum	Maximum
Chief of Police	\$ 10,075	\$ 12,246
Department Heads	\$ 6,258	\$ 11,237

Salary: Cost of Living Adjustment (COLA)

a) COLA: Cost of Living Adjustment shall be as follows:

Effective the first full pay period in January 2014, through the pay period ending July 5, 2014, the employee will receive a cost of living increase based on the average U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, January 2013 through October 2013.

i) Effective the first full pay period of July 2014, the salary shall be readjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-1984 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2013.

- ii) Effective the first full pay period in July 2015, the salary range for each classification in this Unit shall be adjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-1984 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2014 up to a maximum of 3.5%.
- iii) Effective the first full pay period in July 2016, the salary range for each classification in this Unit shall be adjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-1984 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2015 up to a maximum of 3.5%.
- iv) Effective the first full pay period in July 2017, the salary range for each classification in this Unit shall be adjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-1984 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2016 up to a maximum of 3.5%.

Flexible Spending Arrangement Contribution:

The contribution for full-time regular employees is:

Effective 7/1/2014

Employee Only	\$718
Employee + 1	\$921
Employee +2 or more	\$1,126

Effective 7/1/2015

Employee Only	\$735
Employee + 1	\$945
Employee +2 or more	\$1,155

Effective 7/1/2016

Employee Only	\$745
Employee + 1	\$968
Employee +2 or more	\$1,184

Effective 7/1/2017

Employee Only	\$773
Employee + 1	\$992
Employee +2 or more	\$1,213