



City of Capitola

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

Effective June 27, 2021

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 Chief of Police 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 Chief of Police 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 group health coverage for medical (including dental and vision), which will remain in effect until the next enrollment date will be eligible for a cash payment of \$250.00 per month. Employees 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. (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) Miscellaneous Classic Employees: 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 eligible classic miscellaneous employees in the Unit and the single-highest-year option.

Miscellaneous classic employees will contribute 13.392% of their reportable salary to PERS.

- ii) Safety Classic Employees: 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 eligible classic Safety employees in the Unit and the single-highest-year option.

Sworn classic employees will contribute 14.974% of their reportable salary to PERS.

b) CalPERS PEPRA Employees:

- 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, Indigenous Peoples 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 will be provided with a 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) CHIEF OF POLICE RECRUITMENT

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

16) ONE-TIME BONUS

City Manager is authorized to issue to full-time employees covered by this agreement on June 24, 2021, a one-time of \$1500.00 bonus, minus applicable taxes. The one-time bonus shall be paid the first full pay period after approval by the Capitola City Council.

Attachment: Exhibit A – Job Classes and Salary Schedule

DEPARTMENT HEADS AND CHIEF OF POLICE JOB CLASSES AND SALARY SCHEDULE

EFFECTIVE June 27, 2021

Positions covered by Plan

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

- a) COLA: Cost of Living Adjustment shall be as follows
Effective June 27,2021, the salary range for each classification shall be increased by 2.6%.

Effective the first full pay period of July 2022, the salary range for each classification shall be increased by 2.75%.

Effective the first full pay period of July 2023, the salary range for each classification shall be increased by 2.75%.

- b) Market Salary Adjustment
Effective June 27,2021, the salary range for the following classifications shall be increased by 1.7%

Director of Public Works
Director of Finance
Community Development Director

- c) Removal of the Chief of Police Deferred Compensation
Effective June 27,2021, the salary range for the Chief of Police classification shall be increased by 8.267% to offset the removal of the 457 Deferred Compensation contribution by the City of Capitola.

Salary Range Effective June 27, 2021, following implementation of the items listed above

POSITION	Minimum	Maximum
Chief of Police	\$ 12,396	\$ 15,808
Department Heads	\$ 11,177	\$ 13,630

Flexible Spending Arrangement Contribution:

The City contribution for full-time regular employees is:

Effective 6/27/2021 Increase of \$50

Employee Only	\$874.00
Employee + 1	\$1,389.00
Employee +2 or more	\$1,801.00

Effective 7/1/2022 Increase of \$25

Employee Only	\$899.00
Employee + 1	\$1,414.00
Employee +2 or more	\$1,826.00

Effective 7/1/2023 Increase of \$25

Employee Only	\$924.00
Employee + 1	\$1,439.00
Employee +2 or more	\$1,851.00