

RESOLUTION 20 -xx

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS SETTING THE COMPENSATION AND BENEFITS FOR MANAGEMENT AND CONFIDENTIAL EMPLOYEES

WHEREAS, the Town Manager has presented to Town Council of the Town of Los Gatos a recommended set of salary ranges and benefits for the Management and Confidential employees; and

WHEREAS, the Town Council has reviewed said recommendations;

NOW, THEREFORE, BE IT RESOLVED that the Town Council of the Town of Los Gatos does hereby declare, determine, and order as follows:

Section 1 – Salary Ranges

- A. Effective July 6, 2025, base salaries for the Management employee group will increase by 3%, except for those in the Police Chief and Police Captain Classifications whose salaries will increase by 5%. See Salary Schedules attached as Exhibit A.
- B. Effective July 5, 2026, base salaries for the Confidential employee group will increase by 3%. See Salary Schedules attached as Exhibit B.
- C. The Town Manager will establish the monthly compensation for the classifications in Management and will have final approval for the salaries of the classifications in Confidential before the final offer is made to the employee.
- D. The Salary Schedules referred to in this Resolution may from time to time be revised and amended by the Town Council.
- E. Employees in Management and Confidential employee groups are eligible for step or salary increases based on the completion of performance evaluation. The narrative of the performance evaluation must warrant an increase in compensation.

Section 2 – General Benefit Provisions

A. Holidays

- a. The Town will grant the following paid holidays to employees in Management and Confidential. All holidays are paid at 8 hours unless otherwise noted:
 - i. New Year's Day
 - ii. Martin Luther King, Jr. Day
 - iii. Presidents' Day
 - iv. Memorial Day
 - v. Juneteenth
 - vi. Independence Day
 - vii. Labor Day
 - viii. Veterans Day
 - ix. Thanksgiving Day
 - x. Day after Thanksgiving
 - xi. Christmas Eve (4 hours)
 - xii. Christmas Day
 - xiii. New Year's Eve (4 hours)
- b. Holidays are paid at a rate of eight hours of time off; employees on an Alternate Work Schedule must use additional leave balances to receive full pay on a holiday.

B. Sick Leave Accrual

- a. Employees in Management and Confidential will accrue sick leave on the basis of 8 hours of sick leave per month (96 hours per year)
 - i. Management employees have a cap of 1,100 hours of sick leave.
 - ii. Confidential employees have a cap of 1,000 hours of sick leave.
- b. Employees hired before August 22, 2018, may cash out their accumulated sick leave based on the employee's hourly rate of pay at retirement as follows:

- i. 1 - 59 months of service at 25%
 - ii. 60 - 119 months of service at 37.5%
 - iii. 120 months or more of service at 50%
- c. Active employees may make an irrevocable election to cash out sick leave in accordance with the above amounts and the requirements of the Irrevocable Cash Out Program. Eligible cash out hours will be cashed out in whole hour increments which will be earned in the following calendar year at the employee's base rate of pay. In the first payroll check of December in the following year, the employee will receive cash for the amount of the eligible sick leave the employee irrevocably elected to cash out in the prior year. However, if the employee's sick leave balance is less than the amount the employee elected to cash out in the prior calendar year the employee will receive cash for the amount of sick leave the employee has accrued at the time of the cash out. An employee must have a sick leave balance of at least 150 hours after the annual cash-out to qualify.
- d. All employees hired prior to November 15, 2004 who retire may convert up to 100% of this accumulated sick leave to a dollar equivalent at their hourly rate of pay at the time of retirement. This amount shall be held in an account.

C. Vacation Leave Accrual

- a. Each employee in Management will accrue vacation at the following intervals based on Town Service:

Vacation Accrual Caps	
0 to 60 months of service	15 Days = 120 hrs
61 to 120 months of service	20 Days = 160 hrs
121 to 180 months of service	23 Days = 184 hrs
181 months of service and over	25 Days = 200 hrs

- i. The maximum vacation accrual for an employee in Management will be 500 hours.
 - ii. The Town Manager may approve and negotiate with new employees or rehired employees to determine if prior public service will be taken into account for the months of service related to vacation accrual.
- b. Each employee in Confidential will accrue vacation at the following intervals based on Town service:

Vacation Accrual Caps	
0 to 36 months of service	10 Days = 80 hrs
37 to 60 months of service	16 Days = 128 hrs
61 to 120 months of service	21 Days = 168 hrs
121 to 180 months of service	23 Days = 184 hrs
181 months of service and over	25 Days = 200 hrs

- i. The maximum vacation accrual for an employee in Confidential will be 320 hours.
 - ii. The Town Manager may approve and negotiate with new employees or rehired employee to determine if prior public service will be taken into account for the months of service related to vacation accrual.
- c. Employees in Management and Confidential may cash out their accrued vacation at separation and twice per year. Employees in Management may cash up to 200 hours cumulatively, and Employees in Confidential may cash out at 160 hours cumulatively.

D. Personal Leave

- a. Employees in Management will receive 48 hours of personal leave on a calendar year basis. These hours do not accrue and must be used in the calendar year in which they are given.
- b. Employees in Confidential will receive 24 hours of personal leave on a calendar year basis. These hours do not accrue and must be used in the calendar year in which they are given.

- c. Should the Town Manager decide that an employee in Management and Confidential performed exceptionally, the Town Manager may grant up to 5 additional personal leave (40 hours) days to an employee. These hours must be used in the calendar year they were received.
 - d. Personal leave is pro-rated based on an employee's date of hire.
- E. Compensatory Leave
 - a. Employees in Confidential who work in excess of 40 hours in a designated workweek may be permitted by their Department Director to take compensatory time in lieu of paid overtime. It shall not be regarded as hours worked for the purposes of overtime calculations. There is a maximum of 80 hours.
- F. Management Administrative Leave
 - a. On an annual basis, the Town Manager may authorize up to 40 hours of management administrative leave based on performance to the employees in Management. These hours are granted in the calendar year and must be taken within that calendar year.
- G. Bereavement Leave
 - a. A maximum of 40 paid leave hours is available upon the death of a family member for employees in Management and Confidential. For the purposes of this section, family member is defined as parent, step-parent, parent-in-law, spouse/domestic partner, child, stepchild, foster child, dependent, sibling, sibling-in-law, grandparent, step-grandparent, grandparent-in-law, and grandchild. Days of bereavement leave need not be consecutive but shall be completed within three (3) months of the date of the death of the family member. If requested by the Town, the employee shall provide documentation of the death of the family member within 30 days of the first day of the leave. Appropriate documentation for this purpose is defined in the California Government Code section 12945.7(f).

H. Tuition Reimbursement

- a. The Town will reimburse employees in Management and Confidential the cost of books, university/school fees (except parking) and tuition up to the maximum reimbursable rate of \$3,000 per fiscal year.
 - i. The reimbursement shall be only for courses that are directly related to the employee's position as determined by the Town Manager, including general education courses that are generally related to attainment of a job-related degree or certification. General education courses not generally related to the employee's position will not be eligible for reimbursement. Reimbursement shall be taxed pursuant to State and Federal regulations.
- b. Application for tuition reimbursement shall be made to the Town before the course begins. Prior to reimbursement of costs, all course work must be completed with a passing grade of "C" or equivalent when numerical score or pass/fail is given.
- c. Any employee who terminates employment with the Town within one year from the completion of a class or classes, for which tuition reimbursement was paid shall refund all tuition paid under this provision, unless required to attend by the appointing authority.

I. Life and Disability Insurance

- a. The Town shall pay the premiums for the short-term disability, long-term disability and group life insurance plans. The Town Manager shall have the discretion to change these contributions or the provider for employees in Management and Confidential.

J. Deferred Compensation Plan

- a. The Town will offer a voluntary 457(b) deferred compensation plan to Management and Confidential Employees. The contributions into the deferred compensation plan will be voluntary for each employee.

K. Out-of-Classification Pay

- a. Compensation for out-of-classification work shall be an additional 5% of the regular pay of the employee's permanent classification or the first step of the higher classification, whichever is greater.
- b. Out-of-Classification Pay applies only to actual time worked and does not apply to paid leaves. Employees appointed to work out-of-class will receive out-of-classification pay beginning the first day of the out-of-classification assignment. Performance of duties as a vacation relief does not automatically qualify as out-of-classification.
- c. For purposes of this section, an out-of-classification assignment is defined as the full-time performance of the essential functions of an authorized, funded, permanent position in another classification by a qualified employee. "Essential functions" shall be as defined in the Essential Functions section of the appropriate job specification.
- d. Any employee who believes they are working out-of-class may request a review of their classification.

L. Cell Phone Stipend

- a. The Town Manager established a cell phone stipend that is available to Employees in Management and Confidential. It may be changed from time to time based on the Town Manager's discretion.

M. Bilingual Pay

- a. Employees in the Confidential employee group may be certified as bilingual. They may receive bilingual pay if they are in a classification that requires bilingual ability and pass the certified examination. The Town may discontinue an employee's bilingual pay at any time dependent on operational need. Bilingual pay is compensated at 2.5% above the employee's current pay. This is special compensation and shall be reported as such to CalPERS, pursuant to Title 2 CCR Section 571(a)(4) and 571.1(b)(3) as Bilingual Premium.

N. Medical Benefits

- a. The Town contracts with CalPERS for the purpose of providing employees and their eligible dependents with medical insurance benefits. The Town will provide active employees with a medical allowance equal to 100% of the cost of the Kaiser Bay Area Medical Insurance Program premium offered by the Public Employees' Retirement System Health Benefit Medical Program at the Employee Only level of participation. For dependents, the Town will pay 90% of the difference between Kaiser Employee Only and Kaiser level of participation (Employee Plus One or Employee Family, depending on family status). If the employee chooses medical coverage under a program more expensive than Kaiser Bay Area, the employee will pay the difference between the Town-provided medical allowance and the cost of the more expensive program through payroll deduction. The Town's contribution towards medical insurance set forth in Section 13 (the PEMHCA minimum) will be deducted from the amount of contribution provided by this Section.

O. Dental Benefits

- a. Employees will be provided 100% of the Delta Dental DPO Plan premium less a \$15.00 employee contribution. If the premium cost of the dental plan exceeds the Town contribution, the employee shall pay through payroll deductions the difference between the monthly premium and the amount contributed by the Town. The Town will pay 100% of the premium for employees choosing to participate in the DeltaCare USA Plan.

P. Vision Benefits

- a. The Town shall pay for employee-only coverage under the Town's Vision Service Plan (VSP). Employees may enroll eligible dependents at their own cost.

Q. Cash-In-Lieu Plan

- a. Employees have the option of choosing all available coverages or, upon providing proof of other medical coverage, may choose to opt out of the

Town's coverage and be provided with cash-in-lieu. Employees who choose to receive the cash-in-lieu must first show proof of alternative minimum essential medical coverage for the employee and employee's tax family (individuals for whom the employee expects to claim a personal exemption deduction). Individual coverage, and individual coverage from Covered California does not qualify as alternative minimum essential coverage under this section. Employees must provide reasonable evidence of alternative minimum essential coverage each plan year, during open enrollment. The Town will not make the cash payment if it knows or has reason to know that the employee or tax family does not have alternative minimum essential coverage. Any amount received in cash is taxable. Employees choosing to receive taxable cash will have the option of receiving it in two equal amounts in December and June, or the first two paychecks of each month (24 times a year).

- i. For Management employees hired before November 15, 2004, the Town contribution to the Cash-In-Lieu program will be equal to Nine Hundred and Fifty Dollars (\$950) per month.
- ii. For Management employees hired after November 15, 2004, the Town contribution to the Cash-In-Lieu program will be Four Hundred Dollars (\$400) per month.
- iii. For Confidential employees hired before November 15, 2004, the Town contribution to the Cash-In-Lieu program will be equal to Eight Hundred Dollars (\$800) per month.
- iv. For Confidential employees hired after November 15, 2004, the Town contribution to the Cash-In-Lieu program will be Four Hundred Dollars (\$400) per month.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the 16th day of December 2025 by the following vote:

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

ATTEST:

TOWN CLERK OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA