



City of Santa Cruz Compensation and Benefits Plan

Assistant City Manager, Department Directors,
Deputy City Manager, Chiefs of Police & Fire

Effective August 15, 2015
Adopted February 9, 2016
(Amended June 28, 2016)

Purpose and Intent

This Compensation and Benefits Plan (Plan) is intended to establish compensation, benefits and terms and conditions of employment for Assistant City Manager, Deputy City Manager, Department Directors and the Chiefs of Police and Fire. The City Manager has the authority to hire the Assistant City Manager, Deputy City Manager, Department Directors and the Chiefs, and to adjust their compensation consistent with this Plan. These positions 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: Directors, Assistant City Manager & Deputy City Manager: 2.5% base pay increase following 10 full years of employment. Police Chief: 2.5% completion of 10 years, 2% completion of 15 years, 2% completion of 20 years (same as PMA implementation for 20 yr). Fire Chief: 2.5% completion of 10 years, 2% completion of 15 years, 2% completion of 20 years and 2% completion of 25 years. (same as FMA implementation for 20 and 25 yr). It is understood that the longevity pay will be considered as “additional compensation” for the purposes of PERS and tax computations.

2) MANAGEMENT VACATION

In the first full pay period in January of each year, employees will be credited with 80 hours of vacation time. The ability to cash out vacation will be limited to 20 hours and shall occur in the last full pay period of December. Employees who do not use all of their Management Vacation prior to the first full pay period in January of each year will only be credited at the start of the subsequent year with sufficient hours to maintain an 80 hour balance. Upon separation, employees shall receive the value of their unused accrued management vacation. This benefit will be pro-rated for new hires.

3) VACATION

- a) Vacation Accrual:

Years of Employment	Vacation Hours
Up to five years	80 Hours
Six to ten years	120 Hours
Eleven years or more	120 Hours plus 8 hours for each year of service

	after 10 yrs. To a maximum of 160 hours
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- b) The City Manager has the authority to place a new employee 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: Accumulation of vacation time shall not exceed twice the annual rate of accrual without prior authorization.

4) SICK LEAVE

Sick leave will accrue at a rate of 8 hours per month. Assistant City Manager, Deputy City Manager and Department Directors are entitled to the same benefits as the Mid-Management MOU Section 14.00. Police Chief is entitled to the same benefits as the Police Management MOU Section 11.00. Fire Chief is entitled to the same benefits as the Fire Management MOU Section 14.00.

5) OPTIONAL MANAGEMENT BENEFIT

The City will contribute \$1,300 for employees with less than 10 years of service and \$1,500 for employees with 10 or more years of service. Payment for this benefit shall be made on the last pay date in July of each year for the previous years' service. In lieu of direct payment, employees may select one of the following options for use of this benefit: 1) payment to deferred compensation or 2) purchase of additional vacation leave, not to exceed the Vacation Accrual Limit. This benefit will be pro-rated for new hires and terminated employees.

6) VEHICLE ALLOWANCE

Employees shall receive a vehicle allowance in the amount of \$107 per month. In lieu of a vehicle allowance, the City will provide the Fire Chief and Police Chief with a vehicle.

7) SPECIAL PROJECT/ASSIGNMENT PAY

A special project/assignment is a specific and unique assignment which exceeds the normally assigned duties and responsibilities of the employee's job classification. An employee, so assigned by the City Manager, shall receive 5% of his/her base pay while actually working on the project or in the assignment. Special project pay does not affect, nor is it included in sick and vacation or other leaves of absence. These assignments will be included in PERS computations.

8) FLEXIBLE SPENDING ARRANGEMENT CONTRIBUTIONS

- a) Employees are entitled to the same benefits as the Mid-Management MOU Section 16.00 – Benefits.
- b) Medical & Dental: 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 based on 90% of the cost of the highest medical premium between the Blue Shield Access+HMO and PERSChoice PPO. Employees will make an additional contribution of \$50.00 per pay period towards the cost of health care benefits. Vision & Dental: employees are entitled to the same benefits as the Mid-Management MOU Sections 16.02 & 16.03

- c) Cash Out: Employees who can verify to the City's satisfaction that: they have equivalent health coverage for medical, which will remain in effect until the next enrollment date; will receive \$200 month.

9) FLEXIBLE SPENDING ACCOUNTS

The City offers a Healthcare Spending Account with an annual election limit of \$2,400 and a Dependent Care Spending Account with annual election limit of \$5,000.

10) RETIREMENT

a) CalPERS Retirement Benefits for Classic Members:

- i) Non-Sworn Tier 1: For all eligible employees hired on or before May 11, 2012: Benefit of 2.0% @ 55 with the single highest year option. The employee's contribution amount is 12% of reportable salary (7% employee share + 5% employee paid employer share). The employee contribution from pay is on a pre-tax basis pursuant to 414(h)(2).
- ii) Non-Sworn Tier 2: For all eligible employees hired on or after May 12, 2012, Benefit of 2% @ 60 with employees highest three year average. The employee's contribution amount is 12% of reportable salary (7% employee share + 5% employee paid employer share). The employee contribution from pay is on a pre-tax basis pursuant to 414(h)(2).
- iii) Police Sworn Tier 1: For all eligible employees hired on or before September 2, 2011: Benefit of 3% @ 50 with the single highest year option. The employee's contribution amount is 14% of reportable salary (9% employee share + 5% employee paid employer share). The employee contribution from pay is on a pre-tax basis pursuant to 414(h)(2).
- iv) Police Sworn Tier 2: For all eligible employees hired on or after September 3, 2011: Benefit of 3% @ 55 with the employees highest three year average. The employee's contribution amount is 14% of reportable salary (9% employee share + 5% employee paid employer share). The employee contribution from pay is on a pre-tax basis pursuant to 414(h)(2).
- v) Fire Tier 1: For all eligible employees hired on or before September 2, 2011: Benefit of 3% @ 50 with the single highest year option. The employee's contribution amount is 11% of reportable salary, (9% employee share + 5% employee paid employer share). The employee contribution from pay is on a pre-tax basis pursuant to 414(h)(2).
- vi) Fire Tier 2: For all eligible employees hired on or after September 3, 2011: Benefit of 3% @ 55 with employees highest three year average. The employee's contribution amount is 11% of reportable salary (9% employee share + 5% employee paid employer share). The employee contribution from pay is on a pre-tax basis pursuant to 414(h)(2).

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/Safety (Police & Fire) will receive a benefit of 2.7% @ 57. Employees will contribute 50% of the normal cost as determined by CalPERS (12.25% for sworn and 6.75% for Misc.). 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. The employee contribution from pay is on a pre-tax basis pursuant to 414(h)(2).

In addition to the required employee contribution, Chief Police and Chief Fire Sworn members will contribute an additional 5.0%, and Miscellaneous will contribute an additional 5.0%.

11) HOLIDAYS

Ten, eight (8) hour holidays and Two, four (4) hour holidays per calendar year as defined by the City Council. The four (4) hour holidays are granted only when Christmas Day or New Year's Day is on a Tuesday-Saturday.

Accrual and Usage rules are in accordance with those in Section 12.00 of the mid-management MOU.

12) FLOATING HOLIDAYS:

The Assistant City Manager, Deputy City Manager, Department Directors and Chiefs shall accrue up to twenty-four hours of floating holidays per fiscal year in accordance with the Mid-Management MOU Section 12.02.

13) INSURANCE

The City provides long-term disability insurance as well as term life insurance in the amount of \$50,000 for the Police Chief and \$25,000 for all others.

ATTACHMENT A

**ASSISTANT TO THE CITY MANAGER, DEPARTMENT DIRECTORS,
DEPUTY CITY MANAGER, CHIEFS OF POLICE & FIRE**

JOB CLASSES AND SALARY SCHEDULE

EFFECTIVE AUGUST 15, 2015

Positions & Salary Schedule

POSITION	Minimum	Maximum
Assistant City Manager	12,987	16,574
Chief of Police	12,987	16,574
Chief of Fire	12,987	16,574
Director of Public Works	12,439	15,873
Director of Water	12,439	15,873
Director of Planning	11,607	14,811
Director of Finance	11,607	14,811
Director of Human Resources	11,607	14,811
Director of Information Technology	11,607	14,811
Director of Libraries	11,607	14,811
Director of Parks & Recreation	11,607	14,811
Director of Economic Development	11,607	14,811
Deputy City Manager	9,866	13,460

Salary: Cost of Living Adjustment (COLA)

1. COLA: Cost of Living Adjustment shall be as follows:

- Effective August 15 2015, employees will receive a cost of living increase of 2.85%
- Effective the pay period containing July 1, 2016 employees will receive a cost of living increase of 2.0%.
- Effective the pay period containing July 1, 2017, employees will receive a cost of living increase of 2.0%.
- Effective the pay period containing July 1, 2018, employees will receive a cost of living increase of 2.0%

2. Additional top step of 5% effective August 15, 2015 is reflected above in the Positions and Salary Schedule.