

City of Cupertino
APPOINTED EMPLOYEES' COMPENSATION PROGRAM
Policy No. 1

PROGRAM PURPOSE AND DEFINITIONS FOR ELIGIBILITY

It is City of Cupertino policy that those certain persons holding positions hereinafter defined and designated as appointed management employees by the City Council in the City Manager's and City Attorney offices shall be eligible for participation under the Appointed Employees' Compensation Program as hereby adopted by action of the City Council and as same may be amended or as otherwise modified from time to time.

Eligibility for inclusion in this Compensation program is limited to persons appointed by the City Council and holding positions as management employees, as defined under section 2.52.290 of the Cupertino Municipal Code, in the City Manager and City Attorney Offices. These are designated by the Appointing Authority and may be modified as circumstances warrant.

Although subject to change in accordance with provision of the Personnel Code, the positions in the following classifications have been designated as appointed employees.

MANAGEMENT CLASSIFICATIONS:

Classification Title

City Manager
City Attorney

In the event of any inconsistency between the Compensation Program and any Employment Contracts, the provisions of the Employment Contract and any amendments thereto control.

Adopted by Action of the City Council
July 1, 2010
Revised December 18, 2012

City of Cupertino
APPOINTED EMPLOYEES' COMPENSATION PROGRAM
Policy No. 2

SALARY SCHEDULE
AND OTHER SALARY RATES

It is City of Cupertino policy that eligible persons under this Compensation Program shall be compensated for services rendered to and on behalf of the City on the basis of equitably of pay for duties and responsibilities assigned, meritorious service and comparability with similar work in other public and private employment in the same labor market; all of which is contingent upon the City's ability to pay consistent with its fiscal policies.

Effective October 1, 2016, a 1% salary increase will be added to the salary range of each classification in this unit. Effective the first full pay period in July 2017, a .75% salary increase will be added to the salary range of each classification in this unit.

Adopted by Action of the City Council July 1, 2010
Revised October 2, 2012
Revised December 18, 2012, October 2016

City of Cupertino
APPOINTED EMPLOYEES' COMPENSATION PROGRAM
Policy No. 3

TRAINING AND CONFERENCES

I. POLICY

It is City of Cupertino policy that eligible persons under this Compensation Program shall be reimbursed or receive advances in accordance with the schedules, terms and conditions as set forth herein for attendance at conferences, meetings and training sessions as defined below for each. It is the intent of this policy to encourage the continuing education and awareness of said persons in the technical improvements and innovations in their fields of endeavor as they apply to the City or to implement a City approved strategy for attracting and retaining businesses in the City. One means of implementing this encouragement is through a formal reimbursement and advance schedule for authorized attendance at such conferences, meetings and training sessions.

II DEFINITIONS

A. Conferences

A conference is an annual meeting of a work related organization the membership of which may be held in the name of the City or the individual.

B. Local Area

The local area is defined to be within Santa Clara and San Mateo Counties and within a 40-mile distance from Cupertino when traveling to Alameda County.

C. Meetings

A "meeting" shall mean a convention, conference, seminar, workshop, meal, or like assembly having to do with municipal government operations. An employee serving on a panel for interviews of job applicants shall not come under this definition.

D. Training Session

A training session is any type of seminar or workshop the attendance at which is for the purpose of obtaining information of a work related nature to benefit the City's operations or to enhance the attendee's capabilities in the discharge of assigned duties and responsibilities.

III REIMBURSEMENT AND ADVANCE PAYMENT SCHEDULE

A. Intent

This schedule is written with the intent that the employee will make every effort to find the lowest possible cost to the City for traveling on City business. For example, if paying for parking at the airport is less expensive than paying for a taxi or airport shuttle, then the employee should drive their car and park at the airport; or if renting a car is lower than taking taxis at the out-of-town location, then a car should be rented; or air reservations should be booked in advance to obtain discounted fares. The following procedures apply whether the expense is being paid through a reimbursement or a direct advance.

B. Registration

Registration fees for authorized attendance at a meeting or training session will be paid by the City.

C. Transportation

The City will pay transportation costs on the basis of the lowest cost intent stated in paragraph A. Eligible transportation costs include airfare (with coach fare being the maximum), van or taxi service to and from the attendee's home and airport, destination or airport parking charges, taxi and shuttle services at the out-of-town location, trains, tolls, or rental cars. Use of a personal automobile for City business shall be reimbursed or advanced at the rate per mile in effect for such use, except in no case shall it exceed air coach fare if the vehicle is being used for getting to the destination. Government or group rates offered by a provider of transportation must be used when available.

Reimbursement or advances for use of a personal automobile on City business within a local area will not be made so as to supplement that already being paid to those persons receiving a monthly mileage allowance.

D. Lodging

Hotel or lodging expenses of the employee resulting from the authorized event or activity defined in this policy will be reimbursed or advanced if the lodging and event occurs outside of the local area. Not covered will be lodging expenses related to person(s) who are accompanying the City member, but who themselves are not on City business. In this instance, for example, the difference between single and multiple occupancy rates for a room will not be reimbursed.

Where the lodging is in connection with a conference or other organized educational activity, City-paid lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, providing that lodging at the group rate is available at the time of booking. If the group rate at the conference hotel is not available, then the non-conference lodging policy described in the next paragraph should be followed to find another comparable hotel.

Where lodging is necessary for an activity that is not related to a conference or other organized educational activity, reimbursement or advances shall be limited to the actual cost of the room at a group or government rate. In the event that a group or government rate is not available, lodging rates that do not exceed the median price for lodging for that area and time period listed on travel websites like www.hotels.com, www.expedia.com or an equivalent service shall be eligible for reimbursement or advancement.

E. Meals

1. With No Conference

Payments toward or reimbursement of meals related to authorized activities or events shall be at the Internal Revenue Service per diem rate for meals and incidental expenses for a given location, as stated by IRS publications 463 and 1542 and by the U.S. General Services Administration. The per diem shall be split among meals as reasonably desired and reduced accordingly for less than full travel days. If per diem is claimed, no receipts are necessary. Alternatively, the actual cost of a meal can be claimed, within a standard of reasonableness, but receipts must be kept and submitted for the expense incurred.

2. As Part of a Conference

When City personnel are attending a conference or other organized educational activity, they shall be reimbursed or advanced for meals not provided by the activity, on a per diem or actual cost basis. The per diem and actual cost rate shall follow the rules described in the meals with no conference paragraph.

F. Other Expenses

Payments toward or reimbursement of expenses at such functions shall be limited to the actual costs consistent with the application of reasonable standards.

Other reasonable expenses related to business purposes shall be paid consistent with this policy.

No payments shall be made unless, where available, receipts are kept and submitted for all expenses incurred. When receipts are not available, qualifying expenditures shall be reimbursed upon signing of an affidavit of expenditure.

No payment shall be made for any expenses incurred which are of a personal nature or not within a standard of reasonableness for the situation as may be defined by the Finance Department.

G. Non-Reimbursable Expenses

The City will **not** reimburse or advance payment toward expenses including, but not

limited to:

1. The personal portion of any trip;
2. Political or charitable contributions or events;
3. Family expenses, including those of a partner when accompanying the employee on City-related business, as well as child or pet-related expenses;
4. Entertainment expenses, including theatre, shows, movies, sporting events, golf, spa treatments, etc.
5. Gifts of any kind for any purpose;
6. Service club meals;
7. Alcoholic beverages;
8. Non-mileage personal automobile expenses including repairs, insurance, gasoline, traffic citations; and
9. Personal losses incurred while on City business.

IV ATTENDANCE

A. Budgetary Limitations

Reimbursement or advances for expenses relative to conferences, meeting or training sessions shall not exceed the budgetary limitations.

V. FUNDING

A. Appropriation Policy

It shall be the policy of the City to appropriate funds subject to availability of resources.

B. Training Sessions

Payments toward or reimbursement of expenses incurred in attendance at training sessions, will be appropriated annually through the budget process.

VI. DIRECT CASH ADVANCE POLICY

From time to time, it may be necessary for a City employee to request a direct cash advance to cover anticipated expenses while traveling or doing business on the City's behalf. Such request for an advance should be submitted to their supervisor no less than seven days prior to the need for the advance with the following information: 1) Purpose of the expenditure; 2) The anticipated amount of the expenditure (for example, hotel rates, meal costs, and

transportation expenses); and 3) The dates of the expenditure. An accounting of expenses and return of any unused advance must be reported to the City within 30 calendar days of the employee's return on the expense report described in Section VII.

VII. EXPENSE REPORT REQUIREMENTS

All expense reimbursement requests or final accounting of advances received must be approved by their supervisor, on forms determined by the Finance Department, within 30 calendar days of an expense incurred, and accompanied by a business purpose for all expenditures and a receipt for each non- per diem item.

Adopted by Action of the City Council

July 1, 2010

Revised December 18, 2012

City of Cupertino
APPOINTED EMPLOYEES' COMPENSATION PROGRAM
Policy No. 4

**AUTOMOBILE ALLOWANCES AND
MILEAGE REIMBURSEMENTS**

It is City of Cupertino policy that eligible persons under this Compensation Program shall be compensated fairly for the use of personal automotive vehicles on City business. In many instances the use of personal vehicles is a condition of employment due to the absence of sufficient City owned vehicles for general transportation purposes. It is not intended, however, that such a condition of employment should work an undue hardship. For this reason, the following policies shall apply for mileage reimbursements.

Those persons who occasionally are required to use their personal automobiles for City business shall be reimbursed for such use at an appropriate rate established by the City Council. Submission of reimbursement requests must be approved by the Department Head.

Employees shall be paid an automobile allowance according to their employment contract with the City.

Employees receiving automobile allowance shall be eligible for reimbursement for travel that exceeds two hundred miles round trip.

Adopted by Action of the City Council
July 1, 2010
Revised December 18, 2012
Revised October 20, 2015

City of Cupertino
APPOINTED EMPLOYEES' COMPENSATION PROGRAM
Policy No. 5

ASSOCIATION MEMBERSHIPS AND
PROFESSIONAL PUBLICATIONS

It is City of Cupertino policy that eligible persons under this Compensation Program shall be entitled to City sponsored association memberships as well as receiving subscriptions to professional and technical publications. Such sponsorship, however, shall be conditioned upon the several factors as set forth below.

Each association for which membership is claimed must be directly related to the field of endeavor of the person to be benefited.

Subscriptions to or purchase of professional and technical publications may be provided at City expense providing the subject matter and material generally contained therein are related to municipal governmental operations.

Adopted by Action of the City Council
July 1, 2010
Revised December 18, 2012

City of Cupertino
APPOINTED EMPLOYEES' COMPENSATION PROGRAM
Policy No. 6

OVERTIME WORKED

Management employees are ineligible for overtime payments for time worked in excess of what otherwise would be considered as a normal work day or work week for other employees. However, no deduction from leave balances are made when such an employee is absent for less than a regular work day as long as the employee has his/her supervisor's approval. Nothing in this policy precludes the alternative work schedule, which may include an absence of a full eight hour day, when forty hours have been worked in the same seven day work period.

Adopted by Action of the City Council
July 1, 2010
Revised December 18, 2012

City of Cupertino
 APPOINTED EMPLOYEES' COMPENSATION PROGRAM
 Policy No. 7

HEALTH BENEFITS PLAN - EMPLOYER CONTRIBUTION

It is the policy of the City of Cupertino to provide group hospital and medical insurance under which employees in the City Manager and City Attorney positions and their dependents may be covered. The purpose of this program is to promote and preserve the health of employees and their families through comprehensive health plans available only through employer sponsorship.

Although the premium cost for the insurance provided remains the ultimate responsibility of the employee in these positions, the City shall contribute the amounts listed below towards the premium or pay the full cost of the premium if less than the stated amounts. If the premium amounts for any employee covered by this policy are less than the amounts listed below per month, the difference between the premium amount and the stated amounts will be included in the employee's gross pay.

October 1, 2016	City Max Health Contribution	City Max Dental Contribution*	City Total Max Contribution
Employee	<u>733.39</u>	134.85	868.24
Employee +1	<u>1246.59</u>	134.85	1381.44
Employee +2	<u>1620.57</u>	134.85	1755.42

January 1, 2018	City Max Health Contribution	City Max Dental Contribution	City Total Max Contribution
Employee	<u>769.95</u>	134.85	904.80
Employee +1	<u>1308.92</u>	134.85	1443.77
Employee +2	<u>1701.60</u>	134.85	1836.45

January 1, 2019	City Max Health Contribution	City Max Dental Contribution	City Total Max Contribution
Employee	<u>808.45</u>	134.85	943.30
Employee +1	<u>1374.37</u>	134.85	1509.22
Employee +2	<u>1786.68</u>	134.85	1921.53

Appointed employees in the City Manager and City Attorney positions will have immediate vesting of retiree medical benefits.

Adopted by Action of the City Council
 July 1, 2010
 Revised December 18, 2012, July 2013, October 2016

City of Cupertino
APPOINTED EMPLOYEES' COMPENSATION PROGRAM
Policy No. 8

FIXED HOLIDAYS

It is the policy of the City of Cupertino to recognize days of historical and national significance as holidays of the City without loss of pay or benefits. Recognizing the desirable times throughout the year, it is the policy of the City of Cupertino to provide days off in lieu of holidays for management and confidential employees at such times as are convenient for each employee and supervisor, when such policy is compatible with the workload and schedule of the City.

The City provides the following fixed paid holidays for eligible employees covered by this agreement:

1. New Year's Day
2. Martin Luther King Day
3. Presidents' Day
4. Memorial Day
5. Independence day
6. Labor Day
7. Veteran's Day
8. Thanksgiving Day
9. Day Following Thanksgiving
10. Christmas Eve
11. Christmas Day
12. New Year's Eve

When a holiday falls on a Sunday, the following Monday shall be observed as the non-work day. When a holiday falls on a Saturday, the previous Friday shall be observed as the non-work day.

FLOATING HOLIDAY

In addition to the paid holidays, employees occupying these positions shall be provided 20 floating hours per calendar year as non-work time with full pay and benefits. Employees may accumulate floating holiday hours up to two times their annual accrual.

Adopted by Action of the City Council
July 1, 2010
Revised December 18, 2012, July 2013

City of Cupertino
APPOINTED EMPLOYEES' COMPENSATION PROGRAM
Policy No. 9

LIFE, LONG TERM DISABILITY INSURANCE, AND SHORT TERM DISABILITY INSURANCE

It is the policy of the City of Cupertino to make available group insurance for the City Manager and City Attorney that will mitigate the personal and family financial hardships resulting from continuing disability that prevents an employee from performing gainfully in his or her occupation. It is further the policy of the City of Cupertino to provide life insurance benefits in an amount of two and one half times the employee's annual salary to a maximum of \$250,000.00.

Adopted by Action of the City Council
July 1, 2010
Revised December 18, 2012, October
2016

City of Cupertino
APPOINTED EMPLOYEES' COMPENSATION PROGRAM
Policy No. 10

DEFERRED COMPENSATION

It is the policy of the City of Cupertino to provide equitable current compensation and reasonable retirement security for the City Manager and the City Attorney for services performed for the City. The City participates in the California Public Employees' Retirement System (PERS) and deferred compensation plans have been established. Both the employee and employer may make contributions from current earnings to these plans. The purpose of this policy is to promote means by which compensation may be provided in such manner and form to best meet the requirements of the City and the needs of individual employees, thereby increasing the ability, to attract and retain competent attorney employees.

The City shall maintain and administer means by which employees in these positions may defer portions of their current earnings for future utilization. Usage of such plans shall be subject to such agreements, rules and procedures as are necessary to properly administer each plan. Employee contributions to such plans may be made in such amounts as felt proper and necessary to the employee. Employer contributions shall be as determined by the City Council.

Adopted by Action of the City Council
July 1, 2010
Revised December 18, 2012

City of Cupertino
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Policy No. 11

PUBLIC EMPLOYEES' RETIREMENT SYSTEM CONTRIBUTION

A. Employees hired on or before December 29, 2012 Only:

For employees hired on or before December 29, 2012, the City has contracted with CalPERS for a 2.7% @55 formula.

Effective October 1 2016, the City agrees to pay the employee's contribution rate to the California Public Employees Retirement System (CalPERS) not to exceed .75% of applicable salary and each employee agrees to pay 7.25% of applicable salary.

Effective in the first full pay period in July 2017, each employee shall pay the full 8.0% of applicable salary of the employee's contribution towards CalPERS.

B. For Employees hired by the City of Cupertino on December 30, 2012 or December 31, 2012 or a current CalPERS employee who qualifies as a classic member under CalPERS Regulations Only:

For Employees hired by the City of Cupertino on December 30, 2012 or December 31, 2012 or a current CalPERS employee who qualifies as a classic member under CalPERS Regulations only the City has contracted with CalPERS for a 2.0% @ 60 retirement formula, three year average compensation-

Effective October 1, 2016, the City shall not pay the employee's contribution rate to the California Public Employees Retirement System (CalPERS) and each employee shall pay the full 7% of applicable salary of the employee's contribution towards CalPERS.

C. For new employees hired by the City of Cupertino on or after January 1, 2013 and do not qualify as Classic members Only:

For new employees hired by the City of Cupertino on or after January 1, 2013 and do not qualify as classic members as defined by CalPERS, CalPERS has by statute implemented a 2% @ 62 formula, three year average and employees in this category shall pay 50% of the normal cost rate as determined by CalPERS.

Adopted by Action of the City Council
July 1, 2010

Revised October 2, 2012; December 18, 2012, July 2013, October 2016

City of Cupertino
APPOINTED EMPLOYEES' COMPENSATION PROGRAM
Policy No. 12

DENTAL INSURANCE - EMPLOYER CONTRIBUTION

It is the policy of the City of Cupertino to provide dental insurance under which employees in the City Manager and City Attorney positions and their dependents may be covered. The purpose of this program is to promote and preserve the health of employees.

The premium cost for the insurance provided by the City shall not exceed \$134.85* per month per employee. Enrollment in the plan or plans made available pursuant to this policy shall be in accordance with Personnel Rules of the City and the provisions of the contract for such insurance between the City and carrier or carriers.*Dental Coverage: Effective the first month after Council adoption of agreement, dental coverage is capped at \$2,500.00 per dependent per annual plan year for the term of this contract.

Adopted by Action of City Council
July 1, 2010
Revised October 2, 2012; December 18, 2012,
October 2016

City of Cupertino
APPOINTED EMPLOYEES' COMPENSATION PROGRAM
Policy No. 13

ADMINISTRATIVE LEAVE

The City Manager and City Attorney shall receive eighty (80) hours of administrative leave with pay per year.

Employees may accumulate administrative leave hours up to two times their annual accrual.

Employees shall be eligible to convert administrative leave hours to pay one time each calendar year.

Adopted by Action of the City Council
July 1, 2010
Revised December 18, 2012, October
2016

City of Cupertino
APPOINTED EMPLOYEES' COMPENSATION PROGRAM
Policy No. 14

EMPLOYEE ASSISTANCE PROGRAM

It is the policy of the City of Cupertino to provide an Employee Assistance Program for the benefit of the City Manager and the City Attorney and their eligible dependents. The purpose of this program is to provide professional assistance and counseling concerning financial, legal, pre-retirement, and other matters of a personal nature.

Adopted by Action of the City Council
July 1, 2010
Revised December 18, 2012

City of Cupertino
APPOINTED EMPLOYEES' COMPENSATION PROGRAM
Policy No. 15

PUBLIC SERVICE CREDIT — VACATION ACCUMULATION

The City Manager and the City Attorney shall earn vacation hours under the same vacation accumulation schedule as all other employees. Credit shall be provided for previous public sector service time on a year-for-year basis as to annual vacation accumulation. Credit shall only be given for completed years of service. Public service credit shall not apply to any other supplemental benefit. Employee(s) affected by this policy will have the responsibility of providing certification as to previous public sector service.

Adopted by Action of the City Council
July 1, 2010
Revised December 18, 2012

City of Cupertino
APPOINTED EMPLOYEES' COMPENSATION PROGRAM
Policy No. 16

HOUSING ASSISTANCE PROGRAM

Housing assistance may be offered to the City Manager and the City Attorney pursuant to Resolution No. 15-092 as amended.

Adopted by Action of the City Council
July 1, 2010
Revised December 18, 2012
Revised October 20, 2015

City of Cupertino
APPOINTED EMPLOYEES' COMPENSATION PROGRAM
Policy No. 17

VISION INSURANCE — EMPLOYER CONTRIBUTION

It is the policy of the City of Cupertino to provide vision insurance under which employees and their dependents may be covered. The purpose of this program is to promote and preserve the health of employees.

The premium cost for the insurance provided by the City shall not exceed \$14.94 per month per employee. Enrollment in the plan or plans made available pursuant to this policy shall be in accordance with the provisions of the contract between the City and carrier or carriers providing vision insurance coverage,

Adopted by Action of the City Council
July 1, 2010
Revised October 2, 2012; December 18, 2012

City of Cupertino

APPOINTED EMPLOYEES' COMPENSATION PROGRAM

EXEMPT POSITIONS

The salaries, wages, or rates of pay for City Attorney and City Manager employees whose positions are exempt under the provisions of the Cupertino Municipal Code, are set forth below. Only the City Council can modify these rates.

Monthly Salary Effective October 1, 2016

Classification	Step 1	Step 2	Step 3	Step 4	Step 5
City Attorney	\$0	\$0	\$0	\$0	\$18,028.50
City Manager	\$0	\$0	\$0	\$0	\$21,475.13 <u>22,232.07</u>

Monthly Salary Effective First Full Pay Period in July 2017

Classification	Step 1	Step 2	Step 3	Step 4	Step 5
City Attorney	\$0	\$0	\$0	\$0	\$18,163.71
City Manager	\$0	\$0	\$0	\$0	\$21,636.19 <u>22,398.81</u>