



MEETING DATE: 9/7/04
ITEM NO. 7

COUNCIL AGENDA REPORT

DATE: AUGUST 31, 2004
TO: MAYOR AND TOWN COUNCIL
FROM: DEBRA J. FIGONE, TOWN MANAGER *Pamela Salvo for*
SUBJECT: ADOPT RESOLUTION APPROVING CONFIDENTIAL EMPLOYEE COMPENSATION PLAN FOR FISCAL YEAR 2004-2005

RECOMMENDATION:

Adopt resolution approving Confidential Employee Compensation Plan for Fiscal Year 2004-2005.

DISCUSSION:

Each year the Town Council adopts a resolution amending the compensation and benefits of Confidential employees. Confidential employees include key technical and clerical positions which provide support services to administration in the Town Manager's Office, Town Clerk's Office, and Town Attorney's Office. Other confidential positions include Secretary to Chief of Police, Project Accountant, and Administrative Analyst. A summary of the proposed amendments to the Confidential Employee Compensation Plan for FY 2004-1005 is attached. The proposed changes include: a 2.5% salary increase effective August 29, 2004; elimination of the bonus program and conversion to salary; prorated benefits based upon hours worked; and a reduction in the cash allocation for benefits from \$794.08 per month to \$700 per month.

ENVIRONMENTAL ASSESSMENT:

Is not a project defined under CEQA, and no further action is required.

PREPARED BY: **GARY ROGERS**
Human Resources Director

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Reviewed by: PSJ Assistant Town Manager OK Town Attorney Clerk Finance
 Community Development Revised: 8/31/04 9:15 am

Reformatted: 5/30/02

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MAYOR AND TOWN COUNCIL

SUBJECT: ADOPT RESOLUTION APPROVING CONFIDENTIAL EMPLOYEE
COMPENSATION PLAN FOR FISCAL YEAR 2004-2005

AUGUST 31, 2004

FISCAL IMPACT:

Funds to implement the proposed changes are included in the Adopted 2004-2005 Operating Budget.

Attachments:

1. Summary of Proposed Changes Confidential Employees FY 2004-2005
2. Resolution adopting Confidential Employee Compensation Plan for Fiscal Year 2004-2005

**Summary of Proposed Amendments
Confidential Employee Compensation Plan
FY 2004-05**

- **Confidential Employee Resolution**
A separate Compensation Plan and Resolution for Confidential Employees is being presented to the Town Council for consideration and adoption. Formerly, adjustments for Confidential employees were made in concert with changes in the Town Employees Association Memorandum of Understanding.

- **Compensation**
A 2.5% salary increase is scheduled, effective August 29, 2004.

- **Bonus Program**
The bonus program that is in place for employees who are at the top step of their range will be eliminated effective August 29, 2004. The value of the bonus allowed under the program (\$1,200 annually) will be converted to salary and will be added to the top step of each range.

- **Retirement Health Savings Plan**
Subject to the issuance of a private letter ruling from the IRS, a retirement health savings plan will be established no later than December 20, 2004. This program will allow employees to voluntarily defer income on a pre-tax basis to be used for un-reimbursed medical expenses including but not limited to premiums, co-payments and deductibles.

- **Cash Allocation & Family Medical Insurance**
The cash allocation program will be amended to provide a fixed contribution of \$700 per month effective January 1, 2005. Currently, the contribution to the cash allocation is \$794.08 per month and is linked to the cost of Kaiser family medical coverage. Additionally, the cash allocation contribution for all employees hired later after July 31, 2004 shall be limited to \$300 per month. The Family Medical Insurance Program will continue, thereby providing full family medical coverage at the Kaiser level, and a town contribution of up to \$65 per month for dental insurance. There will continue to be no cash-back permitted under the Family Medical Insurance Program.

**Summary of Proposed Amendments
Confidential Employee Compensation Plan
FY 2004-05
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- **Sick Leave Conversion for Retiree Medical Expenses for New Hires**
Confidential employees hired prior to September 7, 2004 will be permitted to convert 100% of the value of unused sick leave into a dollar value which is placed into an account which can be used to pay the difference between the Town contribution toward retiree medical and the actual cost of the premium. Employees hired after September 7, 2004 will not be permitted to participate in the sick leave conversion to retiree medical program. This change will have no effect on current employees.
- **Benefits Pro-rated**
Effective August 1, 2004, benefits for confidential employees shall be pro-rated to a level equal to their regularly scheduled hours. For example, an employee working a regular work schedule of 32 hours per week will earn 80% of the benefits provided to an employee working a regular schedule of 40 hours per week.

RESOLUTION NO.

RESOLUTION OF THE TOWN OF LOS GATOS
APPROVING CONFIDENTIAL EMPLOYEE COMPENSATION PLAN
FOR FISCAL YEAR 2004-2005

RESOLVED, by the Town Council of the Town of Los Gatos, County of Santa Clara, State of California, that the Confidential Employee Compensation Plan be approved as presented in Exhibit A.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the ____ day of September, 2004 by the following vote:

COUNCIL MEMBERS:

AYES:

NAYES:

ABSENT:

ABSTAIN:

SIGNED:

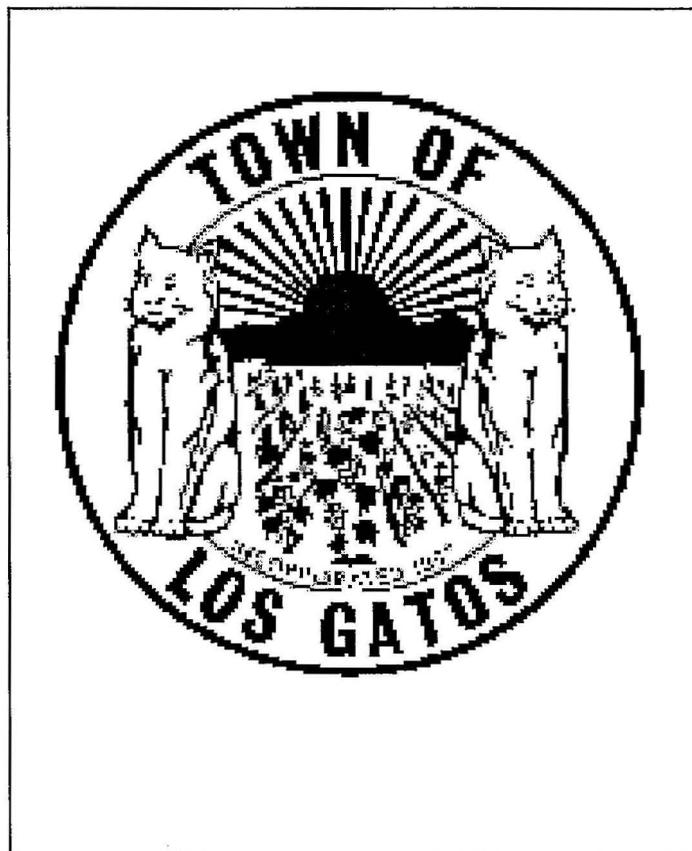
MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

ATTEST:

CLERK OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

EXHIBIT A

**TOWN OF LOS GATOS
CONFIDENTIAL EMPLOYEES
COMPENSATION PLAN**



FY 2004-2005

PURPOSE

To establish a program and guidelines for a confidential employee compensation plan pursuant to the following goals and objectives:

- Establish a system for the payment of confidential employees which results in appropriate salary-contribution relationships and competitive salary rates.
- Recognize the distinct character of confidential positions and incumbents as opposed to grouping them with other employees for salary purposes.
- Establish a system where salary serves as an effective tool for promoting better job performance.
- Promote the further identification of confidential employees and understanding of associated roles, loyalties, and responsibilities.

APPLICATION

This compensation plan shall apply to all employees occupying positions designated as Confidential.

1. EMPLOYMENT

a. Step Placement for New Hires

The Town will determine the salary and wage rate for new hires.

b. At-will Employment

Confidential positions in the Town are at-will. Either the Town or the employee may terminate the employer-employee relationship at any time for any reason.

c. Performance Evaluations

Performance evaluations take place at least annually prior to the anniversary date of the employee's date of hire or the date the employee entered their classification. Performance evaluations shall be discussed with the employee prior to the evaluation being completed. Employees shall sign their individual performance evaluations as evidence of

discussion having taken place; employee signature does not necessarily imply agreement with the evaluation. An employee may attach separate written comments to his/her evaluation.

d. Step Advancement

Consideration for advancement from step to step within a range shall occur at intervals of one (1) year in length effective on each anniversary date. The annual performance evaluation will be the basis for step advancement. Such advancement to the next step shall only be authorized if the supervisor and department manager find that the employee is satisfactorily performing the duties of their position as reflected in the annual evaluation. If the employee's performance is not satisfactory as determined by the supervisor's annual evaluation, the department manager shall deny advancement to the next step. The department manager has the option, at their discretion, based on a recommendation by the supervisor, to recognize improving performance by granting or denying a half-step increase in lieu of denying the advancement to the next step for unsatisfactory performance.

If the employee's performance is exceptional as determined by the annual evaluation, the department manager with the approval of the Town Manager has the discretion to grant a two step or one and one-half step increase. It is intended that this be used sparingly so that it can be reserved to recognize the truly exceptional employee who is achieving journey level status in their classification (i.e. fully capable of performing all duties of the position) and can perform at the same level as an employee with the years of experience required to achieve advancement to the new step if they had advanced one step each year.

e. Bonus Program

Effective August 29, 2004, the Exceptional Performance Bonus program shall be eliminated. In lieu of this program, step 6 of all Confidential classifications shall be approximately 5% greater than step 5 and include an additional \$0.577 per hour, as reflected in the salary schedules listed in Appendix A.

f. Promotions

Employees desiring promotion or change of job classification shall keep an interest card on file with the Human Resources Department. The Town shall determine the method for the selection of Town employees. Qualified employees who participate in a Town examination process shall

be allowed time off from their regularly scheduled work. There shall be no overtime paid for participation in an examination.

g. Work Day/Week

The normal work day is defined as no more than eight (8), nine (9), ten (10), or eleven (11) consecutive hours of work time, with a single lunch break. A normal work day shall be followed by a minimum of ten (10) hours off.

The work week is defined as forty (40) hours of work during any consecutive seven (7) day period. A minimum of one (1) forty-eight (48) hour period without scheduled work shall be provided to each employee during any consecutive seven (7) day period. Flex-time work schedules consistent with the definitions of normal work day and normal work week may be assigned by the Town at its sole discretion. The Town shall provide no less than seventy-two (72) hours notice to affected employees regarding a change in regular work schedules. Flex-days shall be identified and approved by the Department Head and Town Manager as part of the approval of a flex-time work schedule as well as the designation of the forty-eight (48) hour period without scheduled work.

Employees may also make requests for temporary changes to their normal work schedule. In those cases, the employee's schedule may change with the approval of the employee's department head (e.g. an earlier start and end of shift or a change in the number of hours per day), so long as that change does not result in overtime liability to the Town. The Town may alter work schedules without notice during emergency situations.

h. Layoff Notification

A minimum thirty (30) calendar days notice shall be provided to any employee that is laid off.

i. Outside Employment

Outside employment of Confidential employees shall be governed by California Government Code Sections 1125 -1128. The Town may develop and apply regulations to assure compliance. Outside employment shall be reviewed and approved by the Department Head and Town Manager on an annual basis.

2. SALARY AND OTHER COMPENSATION

Town Compensation Policies

- (1) Total compensation to be used in the analysis of all Town compensation.
- (2) Marketplace consideration in establishing compensation.
- (3) Average or above-average total compensation for all Town classifications.
- (4) No reduction in individual employee total compensation levels.
- (5) Final determination on changes in compensation based on Town's ability to pay.

a. Compensation

The salary schedules listed in Appendix A shall be effective August 29, 2004.

b. Overtime

With the approval of the Town Manager, and when necessary to perform essential work, a Department Head may require an employee to work at any time other than during regular working hours until such work is completed. Overtime is scheduled solely at the discretion of the Town.

An employee directed by his/her Department Head or the Town Manager to work in excess of forty (40) hours in a designated work week, shall be compensated at the rate of one and one-half times the employee's regular hourly rate. Hours charged to available paid leave, shall be counted as time worked for computation of overtime payments. Compensatory time can not be used in the pay-period in which it is earned. Compensatory time off shall not be regarded as hours worked for the purposes of overtime calculation.

A Department Head or the Town Manager may permit an employee to take compensatory time in lieu of paid overtime. With Department Head approval, employees shall be permitted to accumulate compensatory time only to a maximum of sixty (60) hours. When the maximum level of compensatory time is reached, overtime shall be paid.

The Town will attempt to avoid scheduling overtime that conflicts with an employee's personal plans unless it cannot be avoided.

c. Call Back

A minimum of three (3) hours pay or its equivalent in compensatory time off, at the rate of time and one-half, shall be guaranteed for any employee, who, after leaving his/her place of duty, is required to return to duty without advance notice of at least fourteen (14) calendar days.

There will be a three (3) hour minimum at the call back overtime rate for Town commission/council meetings which begin (2) two hours or more than either the start of or end of the employee's regularly scheduled shift. With Department Head approval an employee may flex their schedule at the straight-time rate in-lieu of the call back provision of this paragraph.

d. Deferred Compensation

A Town program of deferred compensation shall be available to Confidential employees. The Town makes no representation on the merit of either the plan or any of the investment products or instruments which may be offered by the plan. The responsibility for evaluating the investment options within the plan is the responsibility of the individual participant.

e. Out-of-Classification Pay

It is the intent of the Town, whenever possible, to avoid working an employee out of classification for a prolonged period of time. 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. 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 part of a vacation relief does not automatically qualify as out-of-classification. 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.

Any employee who believes they are working out-of-class may request a review of their classification.

f. Bilingual Incentive Pay

Employees filling classifications specifically requiring bilingual ability and passing the Town's certified examination shall be compensated at 2.5% above the normal compensation range for the regular classification. The provision of bilingual pay will be evaluated annually in a manner prescribed by the Town, and continued or discontinued based on operational need. If bilingual pay is discontinued, the effective date shall be the beginning of the first full pay period in January.

g. Holiday Compensation

(1) Employees will receive eight (8) hours of regular pay when scheduled to have the holiday off (eight [8] hours total). If the employee's scheduled day off occurs on a recognized Town holiday, the employee will receive eight (8) hours of holiday pay (e.g. eight hours in addition to all time worked or paid in the pay period). In lieu of receiving eight (8) hours of holiday pay, an employee may elect to receive eight (8) hours of compensatory time.

(2) Employees who are required to work on a holiday will be compensated as follows:

(a) Workday

If the holiday occurs on a normally scheduled workday, the employee will receive eight (8) hours of holiday pay and time and one-half for the hours actually worked on the holiday (twenty [20] hours total).

(b) Day Off

If the holiday occurs on a normally scheduled day off, the employee will receive eight (8) hours of holiday pay and eight (8) hours of straight time plus time and one-half for the hours actually worked on the holiday (twenty-eight [28] hours total.)

(3) Notwithstanding any other provision of this section, employees who have voluntarily requested and received approval to work an alternate or flexible work-work schedule shall:

- (a) Use accrued vacation time, accrued comp. time, or personal leave to make up the difference between the provided eight hours of holiday pay and the actual number of regularly scheduled working hours on a designated holiday. For example, if a holiday falls on a day the employee is scheduled to work nine (9) hours, he/she shall receive eight (8) hours of holiday pay and be required to use other accrued leaves to make up the extra hour for that day.
- (b) Receive eight (8) hours of floating holiday pay when a holiday occurs on a regularly scheduled day off. The floating holiday has no cash value and must be used by the end of the fiscal year in which it is granted or it shall be forfeited.

h. Testimony for Town Matters

Compensation for an employee subpoenaed to provide testimony for Town related matters and participation in any legal matter required as a result of working for the Town will be reviewed on a case by case basis.

3. PAYROLL/PAYCHECKS

Payroll Periods

A biweekly payroll period shall be used subject to the following condition: Employee pay shall not be withheld more than seven (7) calendar days following the end of the payroll period; however, overtime may appear on the next payroll period if it is worked following the submittal of time sheets, or during a pay period with a Town holiday which requires early submittal of time sheets and early distribution (before Friday) of pay checks. This may also occur at the end of the fiscal or calendar year.

Paychecks

The Town shall provide an optional electronic check deposit system for use by employees. Every effort will be made to make paychecks available to employees as soon as checks are signed and ready for distribution.

4. **HOLIDAYS**

The following shall be observed as eight (8) hour holidays for Confidential employees:

January 1st (New Year's Day)

The 3rd Monday in January (Martin Luther King's Birthday)

The 3rd Monday in February (President's Day)

The last Monday in May (Memorial Day)

July 4th (Independence Day)

The first Monday in September (Labor Day)

Thanksgiving Day

The Friday following Thanksgiving Day

December 25th (Christmas Day)

Four (4) hours each on December 24 and 31

Every day declared a holiday by the President or Governor, subject to the Mayor also proclaiming the day as a holiday.

Holidays which fall on Saturday shall be observed on the Friday prior, and holidays which fall on Sunday shall be observed on the following Monday.

5. **INSURANCE PROGRAMS**

a. Life Insurance

Town shall pay premiums on minimum coverage of \$50,000 and \$50,000 Accidental Death benefit. Additional life insurance may be purchased by the employee.

b. Disability Insurance

The Town will provide a Short Term Disability policy effective the 8th calendar day; coverage of 60% of weekly earning up to maximum of \$1300/week for 12 weeks. Long Term Disability benefits begin on the 91st day of disability; coverage of 60% of monthly earnings up to a maximum of \$6000/month.

c. Workers' Compensation

Employees who sustain illness or injury arising out of and in the course of their Town employment shall receive benefits equal to those mandated by the State of California plus the difference between State mandated benefits and the equivalent of 100% of the individual's regular

salary, if any, paid by the Town for the first thirty (30) calendar days of absence. Town shall deduct leave balances from the employee's accrued sick leave, accumulated overtime, vacation leave, and annual leave (in that order) for all Town paid compensation. An employee may at his/her discretion advise the Town that he/she does not wish to be compensated at a level above the State-mandated benefits. In such case, the Town would provide no further compensation and there would be no charge to leave balances. An employee without leave balances shall only be paid State mandated benefits. Effective the 31st day of disability, the employee may elect to supplement the State mandated benefits with the Town's Short Term/Long Term Disability Insurance. STD benefits will be reduced by the amount of periodic payments the employee is entitled to through Worker's Compensation.

d. Liability Insurance

The Town shall continue to maintain a liability insurance policy covering all Town employees in the execution of their official duties.

e. Employee Assistance Program

The Town shall contract to provide an Employee Assistance Program and the premiums shall be paid by the Town.

f. Unemployment Insurance

The Town will provide State mandated unemployment insurance benefits through a reimbursement program.

g. Vision Plan

Employees shall be enrolled in the Town's vision-care health plan (VSP Plan B, with \$20 co-pay). The Town shall pay for employee-only coverage. At their own cost, employees may enroll eligible dependents upon hire, during open enrollment and/or when a qualifying event occurs.

h. Retirement Health Savings Plan

Subject to the issuance of a private letter ruling from the I.R.S., the Town will establish a Retirement Health Savings Plan through ICMA or similar vendor, by December 20, 2004. Contributions to such plan shall be made by employees and shall be voluntary.

6. CASH ALLOCATION PLAN

For employees hired prior to August 1, 2004, the Town shall provide the following cash allocation for benefits: effective July 1, 2004 \$794.08 per month; effective January 1, 2005, \$700 per month. Employees hired on after August 1, 2004, shall be provided a cash allocation for benefits of \$300 per month.

Benefits that can be purchased through the cash allocation plan include medical, dental and vision insurance. These benefits are available on a pre-tax basis. If the premium cost of the health plan exceeds the Town contribution, the employee shall pay through payroll deduction the difference between the monthly premium and the amount contributed by the Town. With the exception of dental insurance, there will be an annual open-enrollment period.

Upon proof of alternate medical coverage, employees may choose to receive part or all of their cash allocation in cash. Any amount received as cash is taxable. Employees electing to receive cash have the option of receiving two (2) equal payments in December and June each year, or of receiving payment in the first two paychecks of each month (twenty-four [24] times a year).

Pre-tax benefits available in the program are medical, vision, and dental insurance. Medical benefits are available through the Public Employee's Retirement Health Benefits Program. Dental insurance is available through Delta Dental Plan. Vision insurance is available through VSP.

7. FAMILY MEDICAL INSURANCE PLAN

In lieu of the cash allocation provided above in Section 6, employees may elect to receive from the Town a contribution toward the monthly medical insurance premiums equal to the cost of family coverage for Kaiser Medical Insurance Program (Bay Area rates) provided through the California Public Employees' Retirement System Health Benefit Medical Program. If the premium cost of the health plan exceeds the Town contribution, the employee shall pay through payroll deduction the difference between the monthly premium and the amount contributed by the Town. The employee shall forfeit any balance should the Town's contribution exceed the cost of the premium.

Employees choosing this option in lieu of the cash allocation provided in Section 6, will also be provided up to \$65 per month toward the cost of dental coverage. If the premium cost of the dental plan exceeds the Town contribution, the employee shall pay through payroll deduction the difference between the monthly premium and the amount contributed by the Town. The employee shall forfeit any balance should the Town's contribution exceed the cost of the premium.

Employees choosing this option shall not receive the cash allocation described in Section 6. Pre-tax benefits available in the program are medical, vision, and dental insurance. Medical benefits are available through the Public Employee's Retirement Health Benefits Program. Dental insurance is available through Delta Dental Plan. Vision insurance is available through VSP.

8. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (P.E.R.S.)

a. 2% at 55

The Town's contract with the Public Employees' Retirement System (PERS) includes the 2% at 55 retirement formula for eligible Miscellaneous Town employees (regular employees).

b. EPMC Conversion

Effective June 25, 2000, the Town ceased its participation in the Public Employees' Retirement System "Employer Paid Member Contribution" (EPMC) provision. Concurrently, the Town began paying in salary to Confidential employees the equivalent dollar amount of the former EPMC (7% of salary). Employees shall be responsible for making their own PERS member contributions. The Town also has adopted a Resolution materially the same as that recommended by the Public Employees' Retirement System to implement the provisions of 414 (h) (2) of the Internal Revenue Code (IRC). This Resolution applies to all Confidential employees

9. BENEFITS ACCRUAL/PAYMENT & APPLICATION

There shall be no accrual or payment of benefits during unauthorized leave, suspension without pay, or leave without pay except as mandated by Federal and State regulations.

Employee benefits shall be prorated to a level equal to the regularly scheduled hours. For example, an employee working a regular schedule of 32 hours per week will earn 80% of the benefits provided to an employee working a regular schedule of 40 hours per week.

10. VACATION AND LEAVES

a. Vacation Scheduling

All vacation and annual leave scheduling is subject to the approval of the Town. Employees are required to request time off in advance. The earlier requests are submitted, the greater likelihood the request will be honored. Every attempt will be made by the Town to honor pre-approved vacations. If a pre-approved vacation is canceled due to the scheduling needs of the Town, the Town will reimburse the employee for verified deposits for non-reimbursable reservations. All verifications must be submitted prior to the vacation formally being canceled.

b. Vacation Accrual

Vacation shall be accrued as follows:

- 0 to 36 months - 10 days per year (3.08 hours per pay period)
- 37 to 60 months - 16 days per year (4.92 hours per pay period)
- 61 to 120 months - 21 days per year (6.46 hours per pay period)
- 121 to 180 months - 23 days per year (7.08 hours per pay period)
- 181 months & over - 25 days per year (7.70 hours per pay period)

Maximum accrual shall be 310 hours. If an employee has reached the maximum accrual level, no more vacation will be accrued until the accrual level is reduced below the maximum amount.

Employees are eligible to cash-out eighty (80) hours of vacation accruals twice each year in May and November. Income from the cash outs will be included in the first payroll check of June and December. Employees, at their option, may convert accrued vacation leave (not annual leave) to sick leave on an hour for hour basis once per fiscal year. Employees must request this conversion in writing to the Finance Department which will have thirty (30) business days to make the requested change.

c. Sick Leave

Sick leave shall accumulate at the rate of eight (8) hours per month (3.70 hours per pay period); to a maximum of one-thousand (1000) hours. The Town may require employees to provide a doctor's statement as proof of illness for any use of sick leave beyond one (1) working day.

d. Sick Leave Cash-Out Program

Employees who terminate employment with the Town, or once a year in December, may cash-out their accumulated sick leave as follows:

- 1 - 59 months at 25%
- 60 - 119 months at 37.5%
- 120 months or more at 50%

In order to be eligible for the sick leave cash-out program, an employee must have a sick leave accrual balance of at least 150 hours after the annual cash-out. Employees working less than full-time shall have the 150 hour balance pro-rated, based on hours worked. Employees who terminate with a sick leave balance of at least 150 hours may cash-out their entire balance pursuant to the schedule above.

Employees hired prior to August 1, 2004, upon retirement, may convert 100% of their 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. The employee's portion of medical payment will be withheld from their monthly retirement payment by P.E.R.S.. The Town agrees to pay the retiree quarterly in advance on the first pay period of January, April, July, and October of each year after retirement. The first payment will be prorated to the nearest quarter. The retiree's portion of medical payments will be paid from this account by the Town until all monies are depleted from the account or the retiree dies, whichever occurs first.

This account will not accrue interest and will not be paid in cash to the retiree or any beneficiaries. The retiree shall be responsible for 100% of their share of future medical insurance payments once the account is exhausted.

The Town has elected to participate under the Public Employees' Medical and Hospital Care Act, and pursuant to that Act, the Town's contribution for each retired employee or survivor shall be increased annually as specified in Resolution No. 1991-194.

e. Personal Leave

Twenty-four (24) hours will be available per calendar year. Personal leave may not be accumulated from year-to-year nor is it subject to cash-out at any time. Any unused personal leave at the end of the calendar year shall be forfeited.

f. Medical/Maternity/Family Leave

Medical, maternity and family leaves and benefits shall be granted in accordance with State and Federal law, including the continuation of employee salary and benefits. The Town may, at its discretion, approve leave beyond the specific amount provided by law.

g. Bereavement Leave

A maximum of five (5) days is available for death of each member of the immediate family. Immediate family is defined as parent, spouse, child, dependent, sibling, and grandparent by blood or marriage.

h. Disaster Leave

Leave is available for employees for disasters declared by Federal, State, County, or Town officials if those disasters affect all or a portion of the area within twenty (20) miles of Town Hall. Leave is subject to scheduling by the Town. Employees shall be allowed to charge time off to accumulated overtime, vacation hours, sick leave hours or annual leave hours (in that order).

i. Military Leave

Military leave and benefits shall be granted in accordance with State and Federal law, including the continuation of employee salary and benefits.

j. Jury Duty

Employee salary and benefits are to be continued during periods of Court-assigned jury duty. If an employee receives compensation from the Courts, the employee shall return to the Town all compensation received for jury duty, except mileage or travel related compensation.

k. Leave Without Pay

Leave without pay shall be subject to approval of the Town Manager upon recommendation of the appropriate department head. An employee who is on leave without pay shall not earn any employment benefits (including, but not limited to such benefits as vacation leaves, annual leaves, medical benefits, sick leaves, retirement credits for time employed or seniority entitlement of any kind) for the duration of such leave. An employee who is on leave without pay will have the ability to continue medical, dental and

vision coverage at their own expense in accordance with the Town's administrative policy on benefit continuation.

Vacation, sick leave, annual leave, or time worked shall not be used intermittently during an extended leave to interrupt a determination that an employee is on leave with no pay. In accordance with State and Federal law, no employee on maternity or family leave will be disadvantaged with respect to seniority entitlement.

I. Leave Balances

Vacation, annual leave, and accumulated overtime will be paid off upon resignation, retirement, or dismissal at 100% of value effective the last full work-day with the Town. Sick leave may be cashed out as described above in Section d.

In the event of an employee's death, vacation, annual leave, and accumulated overtime leave balances shall be paid to the employee's estate.

m. Catastrophic Time Bank

If an employee, or an employee's spouse, significant other, or child becomes catastrophically ill or injured, the employee may request that a catastrophic time bank be established. If the employee is not capable, a Department Head, after consulting with and receiving approval from an employee's family member, may request that a catastrophic time bank be established. The request shall be in writing and shall be directed to the Town Manager. The bank will enable other employees to donate accrued CTO, vacation, annual leave, or sick leave to the requesting employee. All donations must be made in writing on a form prescribed by the Town and shall be limited to no more than four (4) hours per donation, in one (1) hour increments. Donations to an established catastrophic time bank are final and shall not be returned to the donor.

11. **MISCELLANEOUS ISSUES**

a. **Mileage Reimbursement**

Employees using personal vehicles on official Town business shall be reimbursed at the mileage rate established by the I.R.S. Private vehicles used for Town business shall comply with all applicable California Vehicle Code Sections commencing with Section 16430 through 16484 pertaining to "Insurance or Proof of Ability to Respond to Damages."

b. **Library Card**

Confidential employees not living in Town may receive a non-resident library card at no cost.

APPENDIX A

**TOWN OF LOS GATOS
RANGE AND STEP TABLE
(Effective August 29, 2004)
Confidential Classifications**

RANGE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
2138	\$19.45	\$20.42	\$21.44	\$22.52	\$23.64	\$25.40
2276	\$22.33	\$23.44	\$24.62	\$25.85	\$27.14	\$29.08
2373	\$24.60	\$25.83	\$27.12	\$28.48	\$29.90	\$31.98
2398	\$25.22	\$26.48	\$27.81	\$29.20	\$30.66	\$32.77
2511	\$28.24	\$29.65	\$31.13	\$32.69	\$34.32	\$36.62

Incentive pay (e.g. bilingual pay) is equal to 2.5% above the regular compensation.
 Confidential pay is equal to 5% above the regular compensation.
 Lead pay is equal to 5.0% above the regular compensation.

Class Code	Position	Range
1200	Deputy Clerk	2138
1725	Office Clerk	2138
1700	Human Resources Specialist	2276
4950	Secretary/Chief of Police	2276
1150	Senior Deputy Clerk	2276
1300	Secretary/Town Attorney	2373
1450	Secretary/Town Manager	2398
1650	Administrative Analyst	2511
1350	Legal Assistant	2511
1625	Project Accountant	2511

Reflects 2.5% increase