RESOLUTION NO. 13445

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAMPBELL AMENDING THE COMPENSATION AND WORKING CONDITIONS FOR UNREPRESENTED UNCLASSIFIED MANAGEMENT EMPLOYEES AS DEFINED IN RESOLUTION 10016 AND DESIGNATED IN RESOLUTION 8553

WHEREAS, the City Council of the City of Campbell desires to establish certain salaries and benefits for unrepresented Unclassified Management personnel not covered by a Memorandum of Understanding, and

WHEREAS, the provisions of Title 4, Section 36506 of the Government Code of the State of California provide that the salaries of employees of General Law cities may be fixed or increased by resolution; and

WHEREAS, Title 2, Section 2.16.020 of the Campbell Municipal Code provides that the City Council may, from time to time, by resolution, change the compensation of employees of said City, and may, by resolution, adopt salary and wage scales; and

WHEREAS, the City Council of the City of Campbell desires to establish certain salaries and benefits for unrepresented Unclassified Management personnel not covered by a Memorandum of Understanding, consistent with Resolution No. 8553:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Campbell does hereby amend the compensation and working conditions for unrepresented Unclassified Management employees to provide that effective the first pay period in July 2026 (unless a different effective date is provided for herein), the salaries, hours, employee benefits, definitions and other terms and conditions of employment for the City's unrepresented Unclassified Management employees shall be as follows:

SECTION 1. GENERAL CONDITIONS

A. Personnel Rules and Regulations

Additional terms and conditions of employment are set forth in the City of Campbell Personnel Rules and Regulations, hereinafter referred to as, "Rules and Regulations." For convenience, the Rules and Regulations can be found at: https://www.campbellca.gov/DocumentCenter/View/19738/City-of-Campbell-Rules-and-Regulations. Unless otherwise set forth herein, this resolution does not modify or change the provisions of the Rules and Regulations.

B. Unclassified Management Employees

The City's Unclassified Management employees include the following positions:

- Assistant City Manager
- Community Development Director

- Finance Director
- Police Chief
- Public Works Director
- Recreation and Community Services Director

C. Definitions

1. Management Employee: An employee having responsibility for formulating, administering, or managing the implementation of City policies and programs consistent with Resolution 10016.

2. Appointing Authority/Power: The City Manager and/or Department Head who has the authority to make appointment for the position to be filled.

3. CalPERS/PERS: California Public Employees' Retirement System.

SECTION 2. COMPENSATION

A. Fiscal Year 2025-2026 Market Adjustment

Effective retroactive to the first pay period in July 2025, the following classifications shall receive the market adjustments provided below to bring the listed classification to the labor market mean in total compensation as surveyed by the City in 2025:

- Recreation and Community Services Director = 2.65%
- Chief of Police = 6.42%
- Assistant City Manager = 7.1%

These classifications shall also receive a one-time lump sum payment reflecting the above market adjustment for the period covering the first pay period in July 2025 through the last pay period in June 2026.

These market adjustments shall be applied prior to any cost of living adjustment or salary increase set forth below.

B. Fiscal Year 2025-2026 Retroactive Cost of Living Adjustment (COLA)

Effective retroactive to the first pay period in July 2025, the base salaries of all Unclassified Management employees shall be increased by three percent (3%). All Unclassified Management employees shall also receive a one-time lump sum payment reflecting a retroactive three percent (3%) COLA for the period covering the first pay period in July 2025 through the last pay period in June 2026.

C. Salary

1. Effective the first pay period in July 2026, the salaries of all Unclassified Management employees shall be increased by three percent (3%). All Unclassified Management employees shall also receive a one-time lump sum payment reflecting a retroactive three percent (3%) COLA for the period covering the first pay period in July 2026 through the date of implementation of this three percent (3%) COLA.

2. Effective the first pay period in July 2027, the salaries of all Unclassified Management employees shall be increased by three percent (3%).

SECTION 3. HEALTH & WELFARE BENEFIT PROGRAMS

A. Medical Insurance / Cafeteria Plan Allowance

1. Medical Insurance Benefit Program

The City's maximum monthly contribution for each Unclassified Management employee for the purchase of medical insurance will be equal to the minimum monthly employer contribution required under the Public Employees Medical and Hospital Care Act (PEMHCA). The City's contribution will come out of the amount the City currently contributes to employees as part of the Cafeteria Plan Allowance, provided below. The cost of the City's participation in CalPERS will not require the City to expend additional funds toward health insurance beyond what is already provided through the Cafeteria Plan Allowance. Any cost increase to the minimum monthly employer contribution required under PEMCHA will be borne by employees.

2. Cafeteria Plan Allowance

Unclassified Management employees electing medical coverage in the City's plans will receive a health flex allowance and shall purchase such coverage through the City's Cafeteria Plan.

Effective January 1, 2026, the monthly Cafeteria Plan Allowance is based on selected level of coverage as follows:

- Employee Only Coverage: $1,151.05
- Employee Plus One Coverage: $2,302.10
- Employee Plus Family Coverage: $2,992.72

Effective January 1, 2027, the monthly Cafeteria Plan Allowance will be set at the Kaiser Permanente Region 1 rates for 2027 at the employee's selected level of coverage, unless the 2027 rates are more than eight percent (8%) higher than the City's 2026 contribution. If the year-over-year rate increase

exceeds 8% of the City's 2026 contribution, the City's Cafeteria Plan Allowance shall be capped at eight percent (8%) higher than the City's 2026 contribution. Employees who select a plan with rates higher than the City's Allowance will be required to make up the difference through salary redirection.

Effective January 1, 2028, the monthly Cafeteria Plan Allowance will be set at the Kaiser Permanente Region 1 rates for 2028 at the employee's selected level of coverage, unless the 2028 rates are more than eight percent (8%) higher than the City's 2027 contribution. If the year-over-year rate increase exceeds 8% of the City's 2027 contribution, the City's Cafeteria Plan Allowance shall be capped at eight percent (8%) higher than the City's 2027 contribution. Employees who select a plan with rates higher than the City's Allowance will be required to make up the difference through salary redirection.

Employees who elect a medical insurance plan with a lower monthly premium than the amount of the City's medical contribution may apply their unused contribution amount toward other benefit options that are available under the Cafeteria Plan, such as flexible spending accounts for out-of-pocket medical expenses and dependent care, accident insurance, cancer insurance, heart and stroke insurance, long term care insurance and life insurance benefits.

Employees who do not spend all their Cafeteria Plan Allowance on Cafeteria Plan benefits will not receive any cash benefit.

3. Conditional Opt-Out

Employees who at initial enrollment or during the annual open enrollment period complete an affidavit and provide proof of other minimum essential coverage for themselves under an exchange/marketplace or an individual plan, will be allowed to waive medical coverage for themselves and their qualified dependents (tax family). The monthly conditional opt-out incentive is $750.

The conditional opt-out incentive shall be paid in cash (taxable income) to the employee. The employee must notify the City within 30 days of the loss of other minimum essential coverage. The conditional opt-out payment shall no longer be payable if the employee and family members cease to be enrolled in other minimum essential coverage.

4. Flexible Spending Account

The City will contribute to each employee's Flexible Spending Account (FSA) a total of $80.76 per pay period.

B. Benefit Cost Adjustments

1. Dental Insurance

   The City shall cover the premium for dental coverage. The annual maximum per patient benefit, not including orthodontia, shall be equal to $2,500. The maximum lifetime per patient benefit for orthodontia coverage shall be equal to two thousand five hundred dollars ($2,500).

2. Vision Care

   The City shall cover the premium for vision coverage for employees and their eligible dependents.

3. Life Insurance

   The City shall provide fifty thousand dollars ($50,000) in life insurance coverage per employee and shall cover the premium. Employees, depending on pre-qualification, may purchase supplemental life insurance in multiples of ten thousand dollars ($10,000) for up to a maximum of three hundred thousand dollars ($300,000).

4. Accidental Death and Dismemberment Insurance

   The City shall pay the premium for fifty thousand dollars ($50,000) accidental death and dismemberment insurance coverage.

5. Long Term Disability Insurance

   The City shall pay the premium for Long Term Disability Insurance. Employees shall receive two-thirds of their monthly base salary, up to a salary maximum of six thousand dollars ($6,000) per month, with a maximum benefit of four thousand dollars ($4,000) per month.

6. Voluntary Employees Beneficiary Association Plan (VEBA)

   Unclassified Management employees will participate in the City's established VEBA program. During an employee's active employment with the City, the City will contribute eighty-six dollars and sixteen cents ($86.16) per pay period to that employee's California Government VEBA account.

   Further, Unclassified Management employees have voted to waive any option they currently have to designate the use of their unused sick leave upon termination, retirement, or death, including opting to cash out their unused sick leave or opting to use the value of their unused sick leave towards the purchase of years of service. Accordingly, and consistent with City Council Resolution No. 13146, upon termination, retirement, or death, the City shall automatically transfer the value of the employee's unused sick leave to his or

her respective individual California Government VEBA account according to the following formula:

YEARS OF SERVICE	NET % OF UNUSED SICK LEAVE TO VEBA
Under 5 Years of Service	0%
5 years completed through 10 years completed service	20% at terminal pay rate
Start of year 11 through completion of year 15	30% at terminal pay rate
Start of year 16 though completion of year 20	40% at terminal pay rate
Start of year 21 and thereafter	50% at terminal pay rate

C. Miscellaneous Benefits

1. Tuition Reimbursement

   The City will continue the tuition reimbursement program as specified in the Rules and Regulations with a maximum reimbursement of $3,000 per year.

2. Auto Allowance

   The City will provide an auto allowance for the following Unclassified Management employees:

Job Classification	Auto Allowance Amount
Assistant City Manager	$220/month
Community Development Director	$220/month
Finance Director	$220/month
Public Works Director	$220/month
Recreation & Community Services Director	$220/month

3. Uniform Allowance

   The City will provide a uniform allowance of One Thousand, One Hundred Dollars ($1,100.00) to Unclassified Sworn Safety Management employees.

SECTION 4. RETIREMENT BENEFITS AND FORMULAS

This section applies to Unclassified Management employees in both miscellaneous and safety retirement systems. Upon submission of enrollment information, the California Public Employees' Retirement System (CalPERS) shall determine whether a new employee is a "classic member" or "new member" in accordance with the Public

Employees' Pension Reform Act (PEPRA).

A. Miscellaneous Retirement Benefit Formulas / Benefits

1. Employees Hired prior to March 7, 2011

   For Classic Miscellaneous Members hired prior to March 7, 2011, the City contracts the following PERS options: 2.5% at age 55, highest 36-month salary, military service buy back option, 1959 survivor benefit (Level 3, One-half continuance), Credit for unused sick leave (Credit for Peace Corps, AmeriCorps VISTA, AmeriCorps Service). Employee contribution 8%.

2. Employees Hired after March 6, 2011

   For Classic Miscellaneous Members hired after March 6, 2011, the City contracts the following PERS options: 2% at age 60, highest 36-month salary, military service buy back option, 1959 survivor benefit (Level 3, One-half continuance), Credit for unused sick leave (Credit for Peace Corps, AmeriCorps VISTA, AmeriCorps Service). Employee contribution 7%.

3. Employees Hired after December 31, 2012

   For New Miscellaneous Members hired after December 31, 2012 (Classic Miscellaneous Members hired after December 31, 2012, are under the Classic Miscellaneous Members hired after March 6, 2011 plan.), the City contracts the following PERS options: 2% at age 62, highest 36-month salary, military service buy back option, 1959 survivor benefit (Level 3, One-half continuance), Credit for unused sick leave (Credit for Peace Corps, AmeriCorps VISTA, AmeriCorps Service). Employee contribution 7.75%.

B. Safety Members' Retirement Benefit Formulas/Benefits

1. Safety Members Hired prior to October 18, 2010

   For Classic Safety Members hired prior to October 18, 2010, the City contracts the following PERS options: 3% at age 50, highest 12-month salary, 1959 Survivor Benefit (Level 4, one-half continuance), Credit for unused sick leave. Employee contribution 9%.

2. Safety Members hired after October 17, 2010

   For Classic Safety Members hired after October 17, 2010, the City contracts the following PERS options: 2% at age 50, highest 36-month salary, 1959 Survivor Benefit (Level 4, one-half continuance), Credit for unused sick leave. Employee contribution 9%.

3. Safety Members hired after December 31, 2012

   For New Safety Members hired after December 31, 2012, (Classic Safety Members hired after December 31, 2012, are under the Classic Safety Members hired after October 17, 2010 plan. To be eligible for service retirement, the employee must be least age 50 and have five years of PERS credited service), the City contracts the following PERS options: 2.7% at age 57, highest 36-month salary, 1959 Survivor Benefit (Level 4, one-half continuance), Credit for unused sick leave. Employee contribution 13%.

C. Retiree Award Program

For retirees from the City of Campbell who were hired prior to July 1, 2017, have at least 17 years of service, and have reached a minimum age of 50, the City will continue the existing Retiree Award Program as follows:

1. The City will award out-of-pocket costs for retirees to cover medical and dental premiums on a reimbursement basis, as follows:

   - A maximum of $325 per month.
   - Retiree dependents are not eligible for the Retiree Award Program.
   - Employees hired on or after July 1, 2017 will not be eligible for the Retiree Award Program.

SECTION 5. OTHER PROVISIONS APPLICABLE TO ALL UNCLASSIFIED MANAGEMENT EMPLOYEES

A. Public Employees' Retirement System (PERS)

The City will be responsible for any increase to the PERS employer contribution rate for the PERS plan.

B. Vacation

Unclassified Management employees shall be entitled to vacation with pay in accordance with the following schedule. Vacation accrual shall be as follows:

1. Start of year 1 through completion of year 4, vacation will be accrued at the rate of 3.38 hours per biweekly pay period worked. (11 eight-hour days per year)

2. Start of year 5 through completion of year 10, vacation will be accrued at the rate of 4.92 hours per biweekly pay period worked. (16 eight-hour days per year)

3. Start of year 11 through completion of year 15, vacation will be accrued at the rate of 5.85 hours per biweekly pay period worked. (19 eight-hour days per year)

4. Start of year 16 and thereafter, vacation will be accrued at the rate of 6.46 hours per biweekly pay period worked. (21 eight-hour days per year)

Unclassified Management employees may accumulate and retain their vacation leave to a maximum of 520 hours as of December 31 of each calendar year. This limitation may be temporarily waived by approval of the City Manager when special circumstances exist. Use of continuous vacation leave beyond 240 hours shall require approval of the Appointing Authority.

In the case of employees who work a 40-hour week, when one or more holidays falls within an annual vacation leave, such holidays shall not be charged as vacation leave and the vacation leave shall be extended accordingly.

C. Holidays

Unclassified Management employees shall be entitled to take all authorized holidays at full pay, not to exceed eight (8) hours for any one (1) day.

The holidays for the City are:

- January 1: New Year's Day
- Third Monday in January: Martin Luther King, Jr. Day
- Third Monday in February: President's Day
- Last Monday in May: Memorial Day
- July 4: Independence Day
- First Monday in September: Labor Day
- Fourth Thursday in November and day after: Thanksgiving Day and Day After
- December 24: Christmas Eve Day
- December 25: Christmas Day

D. Administrative/Management Leave Time

Unclassified Management employee classifications will receive eighty (80) hours of administrative leave pay per calendar year and will receive the appropriate prorated portion of this entitlement upon hire and termination. At the end of the calendar year, a maximum of eighty (80) hours of administrative leave may be carried over to the next calendar year.

E. Sick Leave

Unclassified Management employees accrue 3.69 hours of sick leave per pay period. Accumulation is unlimited. Upon an employee's termination, retirement, or death, the City shall automatically transfer the value of the employee's unused sick

leave to the employee's California Government VEBA account, in accordance with Section 3.B.6 of this resolution.

F. Floating Holidays

Five (5) Floating Holidays (40 hours) shall be incorporated into the employee's Leave Bank. Employees receive the appropriate prorated portion of this entitlement upon hire and termination. Floating Holidays must be used during the calendar year in which they are granted. Unused Floating Holiday time may not be carried over to the next calendar year. Floating Holiday time shall have no monetary value upon termination of employment.

BE IT FURTHER RESOLVED that the City Council of the City of Campbell hereby rescinds City Council Resolutions 12882, 13146, and 13313, and replaces them with this resolution establishing the above compensation, benefits and working conditions for unrepresented Unclassified Management employees not covered by a Memorandum of Understanding agreement.

BE IT FUTHER RESOLVED that it is not the intent of this City Council in approving this resolution to change, modify, or repeal in any way any of the existing provisions of the Rules and Regulations; and

FINALLY, BE IT FURTHER RESOLVED that the City Appointing Power and the Human Resources Manager have the authority to take any necessary administrative actions to implement the provisions of this resolution.

PASSED AND ADOPTED this 6th day of October 2026 by the following roll call vote:

AYES: Councilmembers: Lopez, Hines, Bybee, Furtado
NOES: Councilmembers: None
ABSENT: Councilmembers: Scozzola

APPROVED:

Daniel E. Furtado, Mayor

ATTEST:

Andrea Sanders, City Clerk