

**RETIREMENT CHIEF EXECUTIVE OFFICER  
EMPLOYMENT AGREEMENT  
BETWEEN  
THE BOARDS OF ADMINISTRATION OF THE  
SAN JOSÉ FEDERATED CITY'S EMPLOYEES' RETIREMENT SYSTEM  
AND THE SAN JOSÉ POLICE AND FIRE DEPT. RETIREMENT PLAN  
AND  
JOHN FLYNN**

**RETIREMENT CHIEF EXECUTIVE OFFICER  
EMPLOYMENT AGREEMENT  
BETWEEN  
THE BOARDS OF ADMINISTRATION OF THE  
SAN JOSÉ FEDERATED BOARDS EMPLOYEES' RETIREMENT SYSTEM  
AND THE SAN JOSÉ POLICE AND FIRE DEPT. RETIREMENT PLAN  
AND  
JOHN FLYNN**

This Agreement is entered into as of August 26, 2024 (the "Effective Date") by and between the Boards of Administration of the San José Federated City Employees' Retirement System ("Federated") and the San José Police and Fire Department Retirement Plan ("Police & Fire") (together, "Boards"), and John Flynn, an individual ("Flynn"). The Boards and Flynn are sometimes individually referred to as a "Party" and collectively as "Parties."

**RECITALS**

WHEREAS, on or about November 4, 2014, the voters of the City of San José ("City") passed ballot Measure G, which provided that the Boards would have the authority to appoint and prescribe the duties of a Chief Executive Officer ("CEO"), subject to the direction and supervision of the Boards exclusively, and the CEO in turn would appoint and prescribe the duties of the professional and technical employees and clerical staff employed in the City's Office of Retirement Services; and

WHEREAS, Flynn has the necessary education, experience, skills and expertise to serve as the CEO of the Office of Retirement Services; and

WHEREAS, the Boards wish to enter into a contractual arrangement with Flynn, as CEO, pertaining to salary, benefits, working conditions and termination of employment, effective as of the Effective Date; and

WHEREAS, Flynn desires to be employed as CEO under the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of these Recitals and the mutual agreements, covenants and conditions contained herein, the Boards and Flynn hereby agree as follows:

**1. EMPLOYMENT AT WILL**

Pursuant to City Charter Section 810.1(a), the Boards hereby appoint Flynn to the position of CEO of the Office of Retirement Services, effective as of the Effective Date, subject, however, to termination as hereinafter provided in this Agreement and under applicable law. Flynn shall be directed by, shall serve at the pleasure of, and may be dismissed at the will of the Boards and shall report directly to the Boards. Flynn understands and agrees that specific charges, a statement of reasons, or good cause shall not be required as a basis for dismissal by the Boards, it being understood that the employment relationship is "at-will" and may be terminated by the Boards at any time, with or without cause, or for any reason or no reason at all, with or without notice, except as expressly provided for in this



Agreement. Flynn expressly waives and disclaims any right to any pre-termination or post-termination notice and hearing, unless specifically provided for in this Agreement. The term of Flynn's employment shall be from the Effective Date until the effective date of termination by either party in accordance with the terms of this Agreement ("Term").

## 2. COMMITMENTS AND UNDERSTANDINGS

### A. Chief Executive Officer's Commitments

#### (1) Duties & Authority

- (a) The CEO shall serve as the Chief Executive Officer of the Office of Retirement Services and be responsible to the Boards for the proper administration of all affairs of the Office in accordance with the City Charter, City Municipal Code, and the policies, rules and regulations of the Boards in effect from time to time, including, without limitation, the CEO of Retirement Services adopted by the Boards. The current Charters are attached hereto as Exhibit A and are subject to change from time to time.
- (b) The CEO shall perform such duties and responsibilities as may from time to time be assigned to him by the Boards, commensurate with his title and position. Such duties shall include, but shall not be limited to:
  - (i) Planning, organizing, coordinating and supervising the work of the Boards and the personnel of the Office of Retirement Services as directed by the Boards;
  - (ii) Developing, implementing and maintaining appropriate accounting and financial systems;
  - (iii) Supervising the maintenance of records and accounts for all members of Federated and Police & Fire, and their beneficiaries;
  - (iv) Directing the preparation and issuance of the retirement payroll;
  - (v) Preparing the retirement financial statements and other appropriate financial and statistical reports;
  - (vi) Reviewing and analyzing cash flow needs and projecting funds available for investment;
  - (vii) Analyzing new legislation and actuarial studies to determine financial and administrative impact on the Boards' responsibilities;

- (viii) Participating in the selection of professional managers, advisors and consultants in areas such as investments, custodial services, legal services and actuarial services;
  - (ix) Developing and administering the administrative budget; and
  - (x) Supervising, training and evaluating the staff and managers of the Office of Retirement Services
  - (xi) Developing, circulating and posting public agendas and agenda item backup for all Board and committee meetings in accordance with applicable law, rules and policies.
  - (xii) Attending all regular and special meetings of the Boards and their respective committees, unless excused by the Boards or prevented by illness or physical incapacity, and taking part in the discussion of all matters before the Boards and their respective committees.
- (c) Flynn shall perform all duties hereunder in a manner consistent with the level of competency and standard of care normally observed by a person employed as a Chief Executive Officer of a public employees' retirement system, taking into account the environment and requested resources of the Office of Retirement Services.

(2) Hours of Work

- (a) The CEO is an employee of the City and is an "exempt" employee. The CEO is expected to engage in those hours of work that are necessary to fulfill the obligations of the CEO's position. The position does not have set hours of work as the CEO is expected to be available at all times.
- (b) It is recognized that the CEO must devote a great deal of time to the business of the Boards outside of the City's customary office hours, and to that end the CEO's schedule of work each day and week shall vary in accordance with the work required to be performed. The CEO shall spend sufficient hours on site to perform the work of the Office of Retirement Services, as directed by the Boards. However, the CEO has discretion over his work schedule and work location, subject to the City's Flexible Workplace Policy incorporated by reference and attached hereto as Exhibit B.



- (c) The CEO shall not engage in teaching, consulting, speaking, or other non-Boards business for which compensation is paid without the express prior consent of the Boards.

(3) **Disability or inability to perform**

- (a) In the event Flynn becomes mentally or physically incapable of performing the CEO's functions and duties with reasonable accommodation, the Boards may terminate Flynn. If the Boards elect to terminate Flynn due to incapacity, Flynn shall receive all severance benefits provided in Section 4, SEPARATION.

B. **Boards' Commitments**

- (1) The Boards shall provide Flynn with the compensation, incentives and benefits, specified elsewhere in this Agreement and in the City's "Executive Management and Professional Employees (Unit 99) Benefit and Compensation Summary July 1, 2023 – June 30, 2026," which is attached hereto as Exhibit C.
- (2) The Boards shall provide Flynn with a private office, secretary/executive assistant, staff, office equipment, supplies, and all other facilities and services adequate for the performance of the CEO's duties.
- (3) The Boards shall pay for or provide Flynn reimbursement for all actual out-of-pocket business expenses incurred on behalf of Federated and/or Police & Fire. The Boards shall provide Flynn a Board credit or debit card to charge appropriate and lawful business expenses.
- (4) The Boards agree to pay the professional dues and subscriptions on behalf of Flynn which are necessary for the CEO's continuation and full participation in national, regional, state, and local associations and organizations necessary and desirable for the good of the Boards, and for his continued professional participation and advancement, to the extent not otherwise paid in accordance with the Professional Development Program provided to Executive Management and Professional Employees of the City (Unit 99). The Boards agree to pay the reasonable and actual travel and subsistence expenses of the CEO to pursue official and other functions for the Boards, and meetings and occasions to continue the professional development of the CEO, including, but not limited to national, regional, state, and local conferences, and governmental groups and committees upon which the CEO serves as a member in accordance with the Board's Travel Policy and provided by budget and/or Boards' approval.
- (5) The Boards set policy for the governance and administration of Federated and Police & Fire, through the personnel of the Office of Retirement Services, and implement their respective policies through the CEO in



accordance with the City Charter, Municipal Code and the Boards' policies, charters and rules in effect from time to time.

- (6) Except for the purpose of inquiry, and as otherwise provided under Section 810.1 of the City Charter, the Boards and their respective members shall deal with all subordinate employees of the Office of Retirement Services solely through the CEO or the CEO's designee and neither the Boards nor any member thereof shall give orders to any subordinate of the CEO, either publicly or privately.
- (7) Neither the Boards nor any of their members will order the appointment or removal of any person to any office or employment under the supervision and control of the CEO.
- (8) Neither the Boards nor any of their members shall interfere with the execution of the powers and duties of the CEO in accordance with the City Charter or this Agreement. The CEO shall take orders and instructions only from the Boards and/or their duly authorized committees or designees.

C. Mutual Commitments

(1) Performance Evaluation

- (a) Annual performance evaluations are an important way for the Boards and the CEO to ensure effective communications about expectations and performance.
- (b) The Boards recognize that for Flynn to respond to their needs and to grow in the performance of the CEO's job, Flynn needs to know how the Boards evaluate his performance.
- (c) To assure that Flynn gets this feedback, the Boards shall conduct an evaluation of the CEO's performance at least once each year. The Parties may use an outside facilitator paid by Boards to assist them in conducting this evaluation, at the option of the Boards.
- (d) The CEO and the Boards will create goals or other outcome measures on an annual basis that will provide the basis for determining the next year's performance results.
- (e) The annual review and evaluation shall be in accordance with specific criteria and goals developed jointly by the Boards and Flynn. Such criteria may be added to or deleted as the Boards may from time to time determine in consultation with Flynn.
- (f) The Boards and Flynn shall define such goals and performance objectives as they mutually determine are necessary for the proper



operation of the Office of Retirement Services or the attainment of the Boards' policy objectives, and the Boards and Flynn shall further establish a relative priority among those goals and performance objectives.

### **3. COMPENSATION**

The Boards agrees to provide the following compensation to the CEO during the term of this Agreement:

#### **A. Compensation & Required Employer Costs**

- (1) Flynn's base salary shall be the bi-weekly amount of \$12,000, which is the equivalent to an annual amount of \$312,000 (which includes a 5% non-pensionable compensation) and shall benefit from the salary increases provided to the Executive Management and Professional Employees Unit (Unit 99) during your first year of employment. Moreover, the Boards may recommend future adjustments to salary and benefits in their discretion and any such adjustments shall be subject to the terms of City Charter Sections 810.1(e) and 902, and subject to the City Council's approval. Absent any different process for adjustments to salary and benefits implemented by the Boards, the Boards will follow the City's annual general wage and merit increase process in effect for the Executive Management class of City employees (Unit 99). Flynn shall be paid at the same intervals and in the same manner as regular City employees.
- (2) All sums payable to Flynn hereunder shall be reduced by all federal, state, local and other withholding and similar taxes and customary payroll deductions required by applicable law.
- (3) Flynn shall be permitted participate in the public pension fund administered by the California Public Employees' Retirement System (CalPERS) for his services rendered under this Agreement.

#### **B. Benefits**

- (1) For sick leave, the Parties incorporate by reference Exhibit C attached hereto, which specifies the sick leave accrual and benefits as provided to the Executive Management class of City employees (Unit 99).
- (2) In consideration of Flynn's prior years of service in another public agency, there will be an adjustment of Flynn's vacation accrual to begin at 200 hours accrued annually. For other terms regarding vacation benefits provided to Flynn under this Agreement, the Parties incorporate by reference Exhibit C attached hereto, which specifies the vacation accrual and benefits as provided to the Executive Management class of City employees (Unit 99).



(3) For the 2024 calendar year, Flynn will receive 24 hours of Executive Leave. Starting in 2025, Flynn shall receive an automatic 48 hours of Executive Leave as other Executive Management class of City employees (Unit 99), and the Boards may grant Flynn up to 40 hours of additional Executive Leave per annum based on his performance evaluation, subject to the Boards' discretion. For other terms regarding Executive Leave provided to Flynn under this Agreement, the Parties incorporate by reference Exhibit C attached hereto, which specifies the Executive Leave accrual and benefits as provided to the Executive Management class of City employees (Unit 99).

(4) **Automobile Allowance**

For Flynn's automobile/vehicle allowance, the Parties incorporate by reference Exhibit D attached hereto, which is the City Administrative Policy Manual 1.8.4 on Vehicle Allowance, which may be changed at any time, as approved by the City Manager, City Finance Director, and/or the City Council.

C. **Relocation Expense Reimbursement**

Boards shall reimburse Flynn for actual and reasonable relocation and moving expenses incurred in connection with the relocation of his primary residence in order to fulfill his responsibilities as CEO. To qualify for the reimbursement, Flynn shall submit to the Boards three bona fide written bids from commercial moving companies for the same goods and services. The amount of the reimbursement shall be the average dollar amount of the three bids. Such payment shall be made within thirty (30) days following receipt by the Chairs of the Boards sufficient documentary evidence (receipts) to establish the actual and reasonable expenses incurred. Moreover, the Parties incorporate by reference to Exhibit E attached hereto.

4. **SEPARATION**

A. **Administrative Leave**

The Boards may place Flynn on administrative leave when Flynn's temporary suspension from office would be in the best interests of the Boards, as determined by the Boards in their sole discretion. The administrative leave shall be effective as of the date set forth in a written notice delivered to Flynn. The Boards shall also deliver a copy of the notice to any other such other employee, determined by the Boards, who shall serve as Acting CEO during the period of administrative leave. Upon the delivery of the notice to Flynn, Flynn's duties under this Agreement shall be suspended as of the effective date stated in the notice but all other provisions of this Agreement shall remain in full force and effect. Thereafter, Flynn's duties under this Agreement shall be performed by the Acting CEO or other designee of the Board of Retirement. Flynn agrees that he shall not



perform or attempt to perform any of the duties of CEO, or in any other way interfere with the administration or operation of the Office of Retirement Services during the period of administrative leave. The administrative leave and the suspension of the duties provided for herein shall terminate on the Boards' delivery to Flynn of a written notice terminating the leave.

**B. Resignation**

Flynn may resign at any time and agrees to give the Boards at least 30 days advance written notice of the effective date of his resignation, unless the Parties otherwise agree in writing.

**C. Termination & Removal**

- (1) Flynn is an at-will employee serving at the pleasure of the Boards as provided in the City Charter.
- (2) The Boards may remove Flynn at any time, with or without cause, by a majority vote of the members of each Board. Notice of termination shall be provided to Flynn in writing.
- (3) Given the at-will nature of the CEO position, an important element of the employment agreement pertains to termination. It is in both the Boards' and City's interest and that of Flynn's that any separation of Flynn is done in a businesslike manner.
- (4) Flynn acknowledges that he is subject to removal by the Boards pursuant to City Charter Section 810.1.

**D. Severance Pay**

Boards shall pay severance pay equal to six (6) months' base salary for involuntary termination by the Boards of Flynn's employment, without cause (as "cause" is defined in Section 4.E, below.) Severance pay shall not be paid for removal for cause, or separation due to expiration of this Agreement, or for termination by Flynn.

**E. Separation for Cause**

- (1) Flynn may be terminated for cause. As used in this Section, "cause" shall mean only one or more the following:
  - (a) A plea to or a trial court conviction of a criminal act, whether misdemeanor or felony, which in the opinion of the Boards in their sole discretion renders Flynn unfit to continue employment, notwithstanding any subsequent appeals, exoneration, expungement, reduction or vacating of the plea or conviction;

- (b) Continued abuse of prescription or non-prescription drugs or alcohol that materially affects the performance of the CEO's duties;
  - (c) Repeated and protracted unexcused absences from the Office of Retirement Services and the performance of the CEO's duties without the Boards' consent;
  - (d) Refusal or failure to perform the CEO's duties in accordance with this Agreement in the determination of the Boards, after Flynn is given notice of the failure or refusal to perform and a reasonable period of time and opportunity to cure, if cure is possible. Results of any performance review under Section 2.C of this Agreement may serve as the basis for the Board of Retirement's determination that Flynn has failed or refused to perform his duties;
  - (e) Any unprofessional, unethical or fraudulent act or omission, or conduct that discredits the Boards or is detrimental to the business, reputation, character or standing of the Boards or the Office of Retirement Services, without the requirement of moral turpitude;
  - (f) Flynn's breach of this Agreement, including without limitation committing an act of dishonesty or deceit in the performance of CEO's duties; or
  - (g) death or disability which cannot reasonably be accommodated (for these purposes, Flynn shall be deemed disabled if, in the judgment of a licensed physician selected by the Board of Retirement, he is physically or mentally unable to fully discharge his duties hereunder for a period of 90 consecutive days or for 90 days in any 180 calendar day period).
- (2) In the event the Boards terminate Flynn for cause, then the Boards may terminate this Agreement immediately, and Flynn shall be entitled to only the compensation accrued up to the date of termination, and such other termination benefits and payments as may be required by law or under this Agreement. Flynn shall not be entitled to any severance benefits provided by Section 4.D if terminated for cause.

## **5. MISCELLANEOUS PROVISIONS**

### **A. Amendments**

This Agreement may be amended at any time by mutual written agreement of the Boards and Flynn.

### **B. Conflict of Interest**



- (1) Flynn shall not engage in any business or transaction nor shall have a financial or other personal interest or association, direct or indirect, which is in conflict with the proper discharge of official duties or would tend to impair independence of judgment or action in the performance of official duties. Personal as distinguished from financial interest includes an interest arising from blood or marriage relationships or close business, personal, or political associations. This section shall not serve to prohibit independent acts or other forms of enterprise during those hours not covered by active City employment, providing such acts do not constitute a conflict of interest as defined herein.
- (2) Flynn shall also be subject to the conflict of interest provisions of the California Government Code and any City or other conflict of interest code applicable to his employment.
- (3) Flynn is responsible for submitting to the Boards designated person the appropriate Conflict of Interest Statements at the time of appointment, annually thereafter, and at the time of separation from the CEO position.

C. Indemnification

To the full extent of the law as provided by the California Torts Claims Act (Government Code Section 810 et seq.), the Boards jointly and severally, shall defend and indemnify Flynn against and for all losses sustained by Flynn in direct consequences of the discharge of his duties on the Boards' behalf for the period of Flynn's employment.

D. Severability

If any provision of this Agreement shall be found by any court of competent jurisdiction to be invalid or unenforceable, then the parties hereby waive such provision to the extent that it is found to be invalid or unenforceable and to the extent that to do so would not deprive one of the parties of the substantial benefit of its bargain. Such provision shall, to the extent allowable by law and the preceding sentence, be reformed by such court to comport as nearly as possible with the intent of the parties to this Agreement so that it becomes enforceable and, as reformed, shall be enforced as any other provision hereof, all the other provisions continuing in full force and effect.

E. Waiver

Waiver by any Party of any provision of this Agreement may only be done in writing, and shall not constitute or be deemed to be a waiver of any other provision of this Agreement.

F. Assignment

This Agreement and all rights hereunder are personal to Flynn and may not be transferred or assigned by Flynn at any time.

**G. Jurisdiction and Venue**

This Agreement shall be construed in accordance with the laws of the State of California, and the Parties agree that venue shall be in Santa Clara County, California.

**H. Advice of Counsel; Interpretation of Agreement**

Flynn acknowledges that he has been advised to seek the advice of independent counsel who is not counsel to the Boards in connection with the negotiation of this Agreement. Flynn and Boards acknowledge that regardless of whether they each have consulted with counsel, they have each read this Agreement and each and every part thereof and fully understand the implications of the same, Flynn and Boards further agree that this Agreement is the product of negotiation and preparation by and among each party hereto. Therefore, Flynn and Boards acknowledge and agree that this Agreement shall not be deemed to have been prepared or drafted by one party or another, and that it shall be construed accordingly.

**I. Entire Agreement**

This Agreement represents the entire agreement of the Parties, and no representations have been made or relied upon except as set forth herein. This Agreement may be amended or modified only by a written, fully executed agreement of the Parties.

**J. Notice**


Any notice, amendments, or additions to this Agreement, including change of address of either party during the term of this Agreement, which Flynn or the Boards shall be required, or may desire, to make shall be in writing and shall be sent by prepaid first class mail or hand-delivered to the respective Parties as follows:

If to the Boards:

Chairs for the Boards of Administration of the Federated City Employees'  
Retirement System and the San José Police and Fire Department Retirement Plan  
Office of Retirement Services  
1737 North First Street, Suite 600  
San José, CA 95112-4505



If to Flynn:

John Flynn  


K. Attorneys' Fees

In the event of any claim, demand, proceeding or suit arising out of or with respect to this Agreement, the prevailing party in any such action shall be entitled to reasonable costs and attorneys' fees, including any such costs and fees on appeal.

L. Arbitration Agreement

- (1) Flynn and Boards agree that any and all controversies, claims, or disputes with anyone (including Boards and any of its officers, board members, employees, advisors, consultants and agents) arising out of, relating to, or resulting from Flynn's employment with Boards, including but not limited to any breach of this Employment Agreement, or any action in contract, tort or equity, shall be subject to exclusive binding arbitration under the JAMS Arbitration Rules for employment disputes in effect at the time that either Boards or Flynn make demand for arbitration under this Agreement. Disputes that Boards and Flynn agree to submit to arbitration, and thereby **agree to waive any right to a trial by jury and any other court actions except provided for in subpar. 4, below**, include any claims under state or federal law (including, but not limited to, claims under Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, the Age Discrimination in Employment Act of 1967, the Older Workers Benefit Protection Act, the California Fair Employment and Housing Act, and the California Labor Code), claims of harassment, discrimination or wrongful termination and any other statutory claims. This Arbitration Agreement shall not, however, apply to any claims that Flynn may have to a retirement allowance from Boards under applicable law. Flynn further understands that this Agreement also applies to any disputes that Boards may have with Flynn.
- (2) Arbitration shall be at and through the auspices of the JAMS office in San José, California, before a single neutral arbitrator selected by agreement of Boards and Flynn. In the event Boards and Flynn have not reached agreement on the selection of the arbitrator within thirty (30) days following demand for arbitration being served by one party on the other, selection of the arbitrator shall be made in accordance with the JAMS Arbitration Rules. The costs charged by JAMS to conduct the arbitration shall be the responsibility of Boards alone.

- (3) Both Boards and Flynn will be entitled to discovery sufficient to adequately arbitrate any claims, including access to essential documents, and, at a minimum, one deposition per party, as determined by the neutral arbitrator and subject to limited judicial review pursuant to California Code of Civil Procedure section 1286.2.
- (4) Except as provided for in the JAMS Arbitration Rules, arbitration shall be the sole, exclusive and final remedy for any dispute between Boards and Flynn. Accordingly, except as provided for by the JAMS Arbitration Rules, California Code of Civil Procedure section 1285, et seq., and below, neither Boards nor Flynn will be entitled to pursue court action regarding any claims that are subject to arbitration. The neutral arbitrator shall have the authority to issue relief as provided by applicable law, and this Agreement shall not limit any statutory remedies either party has under applicable law. Notwithstanding the above, Boards and Flynn each reserve the right to petition a court for provisional or injunctive relief against the other.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.


**BOARD OF ADMINISTRATION  
FEDERATED CITY EMPLOYEES'  
RETIREMENT SYSTEM**

By:   
Spencer Horowitz

Its: \_\_\_\_\_ Chair \_\_\_\_\_

Dated: 8/15/2024

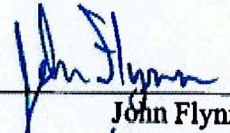
**BOARD OF ADMINISTRATION  
SAN JOSÉ POLICE AND FIRE  
DEPARTMENT RETIREMENT PLAN**

By:   
Franco Vado

Its: \_\_\_\_\_ Chair \_\_\_\_\_

Dated: 9/5/24

**CHIEF EXECUTIVE OFFICER**

  
John Flynn

Dated: 7/25/2024



# **Exhibit A**

## **POLICE & FIRE DEPARTMENT RETIREMENT PLAN CEO OF THE OFFICE OF RETIREMENT SERVICES CHARTER**

### **INTRODUCTION & BACKGROUND**

- 1) In accordance with the City Charter, the Board of Police and Fire Department Retirement Plan and the Board of the Federated City Employees Retirement System shall appoint and prescribe the duties of the Chief Executive Officer (CEO) and the Chief Investment Officer (CIO).
- 2) The CEO is the head of the Office of Retirement Services and is responsible for providing staff services to the Board as required for the Board to fulfill its duty to administer the Plan (2.04.3120; 3.32.040).
- 3) This Charter summarizes the responsibilities of the CEO and clarifies the delineation of roles among the CEO, the CIO, and the Board. It also summarizes key responsibilities of the CEO as described in the Plan's governing legislation.
- 4) Given the complex and changing nature of the Plan, it is neither realistic nor practical to believe that a single document can address every situation or activity that may arise in the governance and management of the Plan. This Charter attempts to provide a general framework for describing the role of the CEO and the CEO's relationship with the Board. The Board expects that should uncertainty arise concerning roles and responsibilities, the matter will be discussed, resolved and, where appropriate, documented in the appropriate policy for future reference.
- 5) In establishing this policy, the Board operates on the basis that its role should be focused primarily on setting policy and direction and overseeing the management of the Plan, and that the CEO will be responsible for managing the day-to-day operations of the Plan in accordance with policies and other controls established by the Board.
- 6) This policy describes various responsibilities of the CEO; it does not provide details or procedures on how the CEO is to carry out said responsibilities. Such details may be found in relevant policies or procedures.
- 7) All authority and responsibilities delegated or assigned herein to the CEO are subject to any parameters or controls that have been, or may be, established by the Board. Such parameters may take various forms including but not limited to policies, rules, directions, plans, and budgets.
- 8) The CEO may delegate, as appropriate, any and all of his or her duties, but shall remain responsible for supervising delegates to ensure proper completion of said duties.
- 9) Where the CEO is required herein to provide a recommendation to, or otherwise advise or inform, the Board, such recommendation, advice, or information may instead be provided to an appropriate committee of the Board as circumstances warrant.



## **DUTIES & RESPONSIBILITIES**

### *Leadership & Management*

- 10) The CEO shall manage and direct the day-to-day affairs of the Plan, including both the benefit and investment administration functions; implement all policies and decisions of the Board, and carry out all duties set out in legislation or this policy, or otherwise assigned to the CEO by the Board. In doing so, the CEO is expected to keep the Board apprised of all material information and developments in a timely manner.
- 11) The CEO is responsible for providing executive leadership for the Plan in regards to vision, strategy, and operations. In doing so, the CEO will solicit advice and counsel from the Board as appropriate.
- 12) The CEO shall have the authority to make all necessary expenditures for the sole benefit of the members and beneficiaries of the Plan, to manage the operations of the Plan and implement the policies and decisions of the Board, subject to applicable legislation, board policies, controls, and approved budgets.

### *Board Governance*

- 13) The CEO shall be Secretary to the Board (2.08.1090) and as such is responsible for supporting the Board in managing its governance and meeting practices.
- 14) The CEO will co-ordinate and support the Board's internal and external educational activities, including board member travel.

### *Policy & Decision-making*

- 15) The CEO is responsible for ensuring the Board is provided all necessary staff and advisory support to allow for prudent policy-setting and decision-making. This requires that the CEO:
  - a) Identify and analyze all issues requiring a Board policy or decision;
  - b) Provide recommendations and supporting information or analysis; and
  - c) Assist in the periodic review and updating of Board policies and decisions.
- 16) The CEO shall develop and approve all necessary operating procedures to guide staff and vendors in implementing board policy or direction. The CEO will inform the Board of such procedures as the CEO deems necessary, or as requested by the Board.

### *Vendors*

- 17) The CEO is responsible for:
  - a) Ensuring all necessary due diligence is performed by staff or advisors in connection with vendors to be appointed by the Board; and furthermore that the Board is provided staff recommendations concerning such appointments;

- b) Selecting and appointing all vendors for which the Board has not retained selection or appointing authority, ensuring all appropriate due diligence is performed in connection with such decisions;
- c) Executing contracts with vendors of the Plan; and
- d) Supervising and directing all vendors on a regular basis.

### *Human Resources*

- 18) Subject to City rules and regulations, and the exceptions noted below, the CEO shall manage the personnel of the Office of Retirement Services.
- 19) With the exception of the CIO, the CEO may appoint and prescribe the duties of the professional and technical employees and clerical employees employed in the office of retirement services. The CEO shall consult with the Board when appointing and prescribing the duties of the Chief Operating Officer and any other senior officers that may be required.
- 20) Though the Board, together with the Board of the Federated City Employees Retirement System, shall appoint and prescribe the duties of the CIO, the CEO shall work with the Joint Personnel Committee in the CIO recruitment and selection process.
- 21) With the exception of the CIO, when the CEO deems it necessary for the good of the service he or she may suspend without pay, demote, discharge, remove or discipline any such employee in the Office of Retirement Services subject to any applicable Civil Service provisions of the Charter and any Civil Service Rules adopted thereto; and shall advise the Board of such actions in a timely manner. In the case of the CIO, the CEO may only advise the Board with respect to such matters.
- 22) The CEO shall regularly assess the human resource needs of the Office of Retirement Services and provide recommendations to the Board regarding:
  - a) Human resources and compensation policies.
  - b) The creation or elimination of staff positions.
- 23) The CEO shall ensure necessary employee training, development, and succession programs are in place to meet the needs of the office of retirement services.

### *Planning*

- 24) The CEO will support the Board in setting the direction of the organization by developing and recommending to the Board appropriate long-term goals, plans, or strategies, as well as appropriate operating and capital budgets.
- 25) The CEO shall have the authority to develop and approve any staff-level plans necessary to implement the plans and budgets adopted by the Board and approved by the City, and will inform the Board of such plans as necessary or as requested by the Board.



### *Financial & Accounting*

- 26) The CEO will be responsible for developing and recommending to the Board:
- a) Policies relating to material accounting and audit issues;
  - b) The scope of the financial audit; and
  - c) The annual and quarterly financial statements of the Plan and related audit reports, and the Comprehensive Annual Financial Report (CAFR).
- 27) The CEO will be responsible for:
- a) Ensuring accurate and complete financial books and records are kept for the Plan; and
  - b) Establishing and maintaining controls and reporting processes relating to the financial condition of the Plan.

### *Benefits & Funding*

- 28) The CEO will be responsible for among other things:
- a) Coordinating the preparation of actuarial valuations.
  - b) Advising the Board with respect to assumptions and methodologies used in preparing actuarial valuations.
  - c) Coordinating actuarial experience studies and actuarial audits as required.
  - d) Advising the Board as to such mortality, service, and other actuarial tables as may be necessary.
  - e) Advising the Board as to contributions to fund benefits for sickness, accident, hospitalization, dental, or medical expenses.

### *Risk Management*

- 29) The CEO is responsible for:
- a) Establishing and implementing processes to identify, monitor, manage, or mitigate material risks to the organization.
  - b) Ensuring the Board is kept apprised of staff's risk management activities, and of any material concerns that may arise in connection with such activities that are not being properly managed or mitigated.

### *Stakeholder Communications*

- 30) The CEO will support and advise the Board with respect to stakeholder communications. This shall include but is not limited to:
- a) Providing the Board with advice and recommendations in connection with all communication plans, policies, frameworks, and related decisions requiring Board approval or action.
  - b) Implementing any communication-related policies, strategies, or initiatives.
  - c) Keeping the Board informed of material communication issues and developments.
- 31) As directed by the Board, the CEO will:
- a) Notify the City Council of any Board concerns with respect to positions on legislation at the state and federal level that relate to the retirement system, consistent with the process set out in Council Policy 0-4, Involvement in the Legislative Process.
  - b) Provide the City Council with any recommendations of the Board concerning proposed ordinances amending the Police and Fire Department Retirement Plan.
- 32) Consistent with applicable policies, plans, and directions of the Board, the CEO, co-ordinating with the Chair as appropriate, shall be responsible for engaging in effective communications with all stakeholders of the System, including, but not limited to, City Council and City Administration. The goal of such communications shall be to ensure the City and other stakeholders have a sufficient understanding of the workings of the Plan and its potential impact on stakeholders. In regards to the City, this responsibility shall include working with City staff to determine the types of retirement board activities and meeting agenda items about which the City should be specifically notified.

### *Investments*

- 33) The CEO has broad responsibility and accountability for ensuring that the investments of the Plan are administered prudently and that the Investment Committee and the Board are provided sound and prudent investment analysis and recommendations from staff.
- 34) While the Board appoints and prescribes the duties of the CIO, the CEO is responsible for the day-to-day direction and oversight of the CIO. The CIO shall provide independent investment analysis and recommendations directly to the Investment Committee and the Board.
- 35) As part of the CEO's duty to oversee the CIO, the CEO shall:
- a) Review the work, analysis, and recommendations of the CIO and provide input and advice to the CIO, as appropriate.
  - b) As necessary, also provide independent advice and input to the Investment Committee or the Board.
  - c) Ensure prudent implementation of the Board's investment policies and strategies, and work with the CIO to achieve the investment performance goals of the Plan.



- d) Ensure the CIO and the investment program operate in accordance with applicable Board and City policies and procedures, applicable law, and generally accepted industry standards.
- e) Evaluate the performance of the CIO on at least an annual basis, with input from the Board.
- f) Work with the CIO to identify the resources necessary to ensure the long-term effectiveness of the investment function and recommend corresponding budgets for Board approval.

### *Benefit Administration & Operations*

- 36) The CEO shall have all necessary authority to administer benefits to plan members and beneficiaries in accordance with the terms of the Plan and applicable legislation. This includes but is not limited to:
- a) Keeping such records as are necessary to determine each member's, former plan member's, or his or her beneficiaries' or dependents' benefits under the Plan, and to determine the amount of such benefits as they become due.
  - b) Processing of member transactions and contributions.
  - c) Adjusting any benefit payments and collecting overpayments of benefits pursuant to and in accordance with the law and Board policy.
  - d) Establishing procedures to be followed in filing applications for benefits.
  - e) Taking all necessary and appropriate efforts to ensure timely receipt and allocation of contributions.
  - f) Processing all claims against the Plan.
  - g) Entering into leases or purchases of such lands, premises, materials, supplies and equipment as may be necessary to administer the Plan, subject to board policies, rules, directions, and budgets.
  - h) Advising the Board with respect to fiduciary liability insurance and other insurance for the Plan, and subsequently implementing the Board's directions with respect to such insurance.
- 37) Subject to board policies, rules, directions, and budgets, the CEO is authorized to enter into any contract that does not exceed \$50,000 in value. Any contract in excess of this amount shall require Board approval. Board approval is also required for any contract that would result in a cumulative contract value with the vendor in question that exceeds \$50,000 over two consecutive fiscal years. All contracts entered into by the CEO shall be reported to the Board in a timely manner.

### *Litigation*

- 38) The CEO will be responsible for:
- a) Recommending to the Board, in consultation with legal counsel, the commencement, conduct, settlement and termination of all litigation involving the Plan and the Fund.

- b) Accepting service of summons and any other legal service of process for and on behalf of the Board and the Plan.

### *Emergency Situations*

- 39) The CEO may act on matters not expressly set out in this document, provided the action is, in the CEO's judgment, necessary to protect the Plan, its employees, or the Fund from loss or harm that is reasonably likely to occur if action is delayed for the scheduling of a meeting of the Board or its committees.
- 40) The CEO shall promptly report to the Board any actions taken in accordance with paragraph 37 above along with the reasons for doing so.

### *Reporting & Monitoring*

- 41) The CEO is responsible for developing and implementing appropriate reporting systems to enable the Board to oversee the Plan and the Fund. At a minimum, such information and reporting shall enable the Board to:
  - a) Monitor the performance of the member services and benefit delivery functions.
  - b) Monitor the performance of the investment function.
  - c) Monitor implementation of or compliance with:
    - i) Applicable legislation;
    - ii) All policies of the Plan;
    - iii) Strategic plans, business plans, and related planning documents;
    - iv) Risk management processes; and
    - v) Operating and capital budgets.

### *Other*

- 42) The CEO shall timely report to the Board when engaging in any activities requested by any party other than the Board itself, and that would affect the Board's administration of the Plan.
- 43) The CEO will be responsible for performing such other duties as the Board may determine.

### **REVIEW & HISTORY**

- 44) The Board shall review this charter at least every five years.
- 45) The Board adopted this charter on April 5, 2012. Reviewed and amended January 4, 2018; October 3, 2019; April 1, 2021.



**FEDERATED CITY EMPLOYEES' RETIREMENT SYSTEM  
CEO OF RETIREMENT SERVICES CHARTER**

**INTRODUCTION & BACKGROUND**

- 1) In accordance with the City Charter, the Board of Police and Fire Department Retirement Plan and the Board of the Federated City Employees Retirement System shall appoint and prescribe the duties of the Chief Executive Officer (CEO) and the Chief Investment Officer (CIO).
- 2) The CEO is the head of the Office of Retirement Services and is responsible for providing staff services to the Board as required for the Board to fulfil its duty to administer the System. (2.04.3120; 3.32.040).
- 3) This Charter summarizes the responsibilities of the CEO and clarifies the delineation of roles among the CEO, the CIO, and the Board. It also summarizes key responsibilities of the CEO as described in the System's governing legislation.
- 4) Given the complex and changing nature of the System, it is neither realistic nor practical to believe that a single document can address every situation or activity that may arise in the governance and management of the System. This Charter attempts to provide a general framework for describing the role of the CEO and the CEO's relationship with the Board. The Board expects that should uncertainty arise concerning roles and responsibilities, the matter will be discussed, resolved and, where appropriate, documented in the appropriate policy for future reference.
- 5) In establishing this policy, the Board operates on the basis that its role should be focused primarily on setting policy and direction and overseeing the management of the System, and that the CEO will be responsible for managing the day-to-day operations of the System in accordance with policies and other controls established by the Board.
- 6) This policy describes various responsibilities of the CEO; it does not provide details or procedures on how the CEO is to carry out said responsibilities. Such details may be found in relevant policies or procedures.
- 7) All authority and responsibilities delegated or assigned herein to the CEO are subject to any parameters or controls that have been, or may be, established by the Board. Such parameters may take various forms including but not limited to policies, rules, directions, plans, and budgets.
- 8) The CEO may delegate, as appropriate, any and all of his or her duties, but shall remain responsible for supervising delegates to ensure proper completion of said duties.
- 9) Where the CEO is required herein to provide a recommendation to, or otherwise advise or inform, the Board, such recommendation, advice, or information may instead be provided to an appropriate committee of the Board as circumstances warrant.

## **Duties & Responsibilities**

### *Leadership & Management*

- 10) The CEO shall manage and direct the day-to-day affairs of the System, including both the benefit and investment administration functions; implement all policies and decisions of the Board, and carry out all duties set out in legislation or this policy, or otherwise assigned to the CEO by the Board. In doing so, the CEO is expected to keep the Board apprised of all material information and developments in a timely manner.
- 11) The CEO is responsible for providing executive leadership for the System in regards to vision, strategy, and operations. In doing so, the CEO will solicit advice and counsel from the Board as appropriate.
- 12) The CEO shall have the authority to make all necessary expenditures for the sole benefit of the members and beneficiaries of the System, to manage the operations of the System and implement the policies and decisions of the Board, subject to applicable legislation, board policies, controls, and approved budgets.

### *Board Governance*

- 13) The CEO shall be Secretary to the Board (2.08.1090) and as such is responsible for supporting the Board in managing its governance and meeting practices.
- 14) The CEO will co-ordinate and support the Board's internal and external educational activities, including board member travel.

### *Policy & Decision-making*

- 15) The CEO is responsible for ensuring the Board is provided all necessary staff and advisory support to allow for prudent policy-setting and decision-making. This requires that the CEO:
  - a) Identify and analyze all issues requiring a Board policy or decision;
  - b) Provide recommendations and supporting information or analysis; and
  - c) Assist in the periodic review and updating of Board policies and decisions.
- 16) The CEO shall develop and approve all necessary operating procedures to guide staff and vendors in implementing board policy or direction. The CEO will inform the Board of such procedures as the CEO deems necessary, or as requested by the Board.

### *Vendors*

- 17) The CEO is responsible for:
  - a) Ensuring all necessary due diligence is performed by staff or advisors in connection with vendors to be appointed by the Board; and furthermore that the Board is provided staff recommendations concerning such appointments;
  - b) Selecting and appointing all vendors for which the Board has not retained selection or appointing authority, ensuring all appropriate due diligence is performed in connection with such decisions;

- c) Executing contracts with vendors of the System; and
- d) Supervising and directing all vendors on a regular basis.

*Human Resources*

- 18) Subject to City rules and regulations, and the exceptions noted below, the CEO shall manage the personnel of the Office of Retirement Services.
- 19) With the exception of the CIO, the CEO may appoint and prescribe the duties of the professional and technical employees and clerical employees employed in the office of retirement services. The CEO shall consult with the Board when appointing and prescribing the duties of the Chief Operating Officer and any other senior officers that may be required.
- 20) Though the Board, together with the Board of the Federated City Employees Retirement System, shall appoint and prescribe the duties of the CIO, the CEO shall work with the Joint Personnel Committee in the CIO recruitment and selection process.
- 21) With the exception of the CIO, when the CEO deems it necessary for the good of the service he or she may suspend without pay, demote, discharge, remove or discipline any such employee in the Office of Retirement Services subject to any applicable Civil Service provisions of the Charter and any Civil Service Rules adopted thereto; and shall advise the Board of such actions in a timely manner. In the case of the CIO, the CEO may only advise the Board with respect to such matters.
- 22) The CEO shall regularly assess the human resource needs of the Office of Retirement Services and provide recommendations to the Board regarding:
  - a) Human resources and compensation policies; and
  - b) The creation or elimination of staff positions.
- 23) The CEO shall ensure necessary employee training, development, and succession programs are in place to meet the needs of the office of retirement services.

*Planning*

- 24) The CEO will support the Board in setting the direction of the organization by developing and recommending to the Board appropriate long-term goals, plans, or strategies, as well as appropriate operating and capital budgets.
- 25) The CEO shall have the authority to develop and approve any staff-level plans necessary to implement the plans and budgets adopted by the Board and approved by the City, and will inform the Board of such plans as necessary or as requested by the Board.

*Financial & Accounting*

- 26) The CEO will be responsible for developing and recommending to the Board:
  - a) Policies relating to material accounting and audit issues;
  - b) The scope of the financial audit; and
  - c) The annual and quarterly financial statements of the System and related audit reports,



and the Comprehensive Annual Financial Report (CAFR).

27) The CEO will be responsible for:

- a) Ensuring accurate and complete financial books and records are kept for the System; and
- b) Establishing and maintaining controls and reporting processes relating to the financial condition of the System.

#### *Benefits & Funding*

28) The CEO will be responsible for among other things:

- a) Coordinating the preparation of actuarial valuations.
- b) Advising the Board with respect to assumptions and methodologies used in preparing actuarial valuations.
- c) Coordinating actuarial experience studies and actuarial audits as required.
- d) Advising the Board as to such mortality, service, and other actuarial tables as may be necessary.
- e) Advising the Board as to contributions to fund benefits for sickness, accident, hospitalization, dental, or medical expenses.

#### *Risk Management*

29) The CEO is responsible for:

- a) Establishing and implementing processes to identify, monitor, manage, or mitigate material risks to the organization;
- b) Ensuring the Board is kept apprised of staff's risk management activities, and of any material concerns that may arise in connection with such activities that are not being properly managed or mitigated.

#### *Stakeholder Communications*

30) The CEO will support and advise the Board with respect to stakeholder communications. This shall include but is not limited to:

- a) Providing the Board with advice and recommendations in connection with all communication plans, policies, frameworks, and related decisions requiring Board approval or action.
- b) Implementing any communication-related policies, strategies, or initiatives.
- c) Keeping the Board informed of material communication issues and developments.

31) As directed by the Board, the CEO will:

- a) Notify the City Council of any Board concerns with respect to positions on legislation at the state and federal level that relate to the retirement system, consistent with the process set out in Council Policy 0-4, Involvement in the Legislative Process.
- b) Provide the City Council with any recommendations of the Board concerning proposed ordinances amending the Federated City Employees' Retirement System.

32) Consistent with applicable policies, plans, and directions of the Board, the CEO, co-ordinating

with the Chair as appropriate, shall be responsible for engaging in effective communications with all stakeholders of the System, including, but not limited to, City Council and City Administration. The goal of such communications shall be to ensure the City and other stakeholders have a sufficient understanding of the workings of the System and its potential impact on stakeholders. In regards to the City, this responsibility shall include working with City staff to determine the types of retirement board activities and meeting agenda items about which the City should be specifically notified.

#### *Investments*

- 33) The CEO has broad responsibility and accountability for ensuring that the investments of the Plan are administered prudently and that the Investment Committee and the Board are provided sound and prudent investment analysis and recommendations from staff.
- 34) While the Board appoints and prescribes the duties of the CIO, the CEO is responsible for the day-to-day direction and oversight of the CIO. The CIO shall provide independent investment analysis and recommendations directly to the Investment Committee and the Board.
- 35) As part of the CEO's duty to oversee the CIO, the CEO shall:
  - a) Review the work, analysis, and recommendations of the CIO and provide input and advice to the CIO, as appropriate.
  - b) As necessary, also provide independent advice and input to the Investment Committee or the Board.
  - c) Ensure prudent implementation of the Board's investment policies and strategies, and work with the CIO to achieve the investment performance goals of the Plan.
  - d) Ensure the CIO and the investment program operate in accordance with applicable Board and City policies and procedures, applicable law, and generally accepted industry standards.
  - e) Evaluate the performance of the CIO on at least an annual basis, with input from the Board.
  - f) Work with the CIO to identify the resources necessary to ensure the long-term effectiveness of the investment function and recommend corresponding budgets for Board approval.

#### *Benefit Administration & Operations*

- 36) The CEO shall have all necessary authority to administer benefits to plan members and beneficiaries in accordance with the terms of the Plan and applicable legislation. This includes but is not limited to:
  - a) Keeping such records as are necessary to determine each member's, former plan member's, or his or her beneficiaries' or dependents' benefits under the Plan, and to determine the amount of such benefits as they become due.
  - b) Processing of member transactions and contributions.
  - c) Adjusting any benefit payments and collecting overpayments of benefits pursuant to and in accordance with the law and Board policy.
  - d) Establishing procedures to be followed in filing applications for benefits.
  - e) Taking all necessary and appropriate efforts to ensure timely receipt and allocation of

contributions.

- f) Processing all claims against the System.
- g) Entering into leases or purchases of such lands, premises, materials, supplies and equipment as may be necessary to administer the System, subject to board policies, rules, directions, and budgets.
- h) Advising the Board with respect to fiduciary liability insurance and other insurance for the System, and subsequently implementing the Board's directions with respect to such insurance.

37) Subject to board policies, rules, directions, and budgets, the CEO is authorized to enter into any contract up to \$50,000 in value over the term of the contract. Any contract in excess of this amount shall require Board approval. Board approval is also required for any contracts that would result in a cumulative contract value with a single vendor in excess of \$50,000 over two consecutive fiscal years. All contracts entered into by the CEO shall be reported to the Board in a timely manner.

#### *Litigation*

38) The CEO will be responsible for:

- a) Recommending to the Board, in consultation with legal counsel, the commencement, conduct, settlement and termination of all litigation involving the Plan or Fund.
- b) Accepting service of summons and any other legal service of process for and on behalf of the Board and the System.

#### *Emergency Situations*

39) The CEO may act on matters not expressly set out in this document, provided the action is, in the CEO's judgment, necessary to protect the System, its employees, or the Fund from loss or harm that is reasonably likely to occur if action is delayed for the scheduling of a meeting of the Board or its committees.

40) The CEO shall promptly report to the Board any actions taken in accordance with paragraph 39 above along with the reasons for doing so.

#### *Reporting & Monitoring*

41) The CEO is responsible for developing and implementing appropriate reporting systems to enable the Board to oversee the Plan and Fund. At a minimum, such information and reporting shall enable the Board to:

- a) Monitor the performance of the member services and benefit delivery functions.
- b) Monitor the performance of the investment function.
- c) Monitor implementation of or compliance with:
  - i) Applicable legislation;
  - ii) All policies of the System;
  - iii) Strategic plans, business plans, and related planning documents;
  - iv) Risk management processes; and
  - v) Operating and capital budgets.



*Other*

42) The CEO shall timely report to the Board when engaging in any activities requested by any party other than the Board itself and that would affect the Board's administration of the System.

43) The CEO will be responsible for performing such other duties as the Board may determine.

**Review & History**

44) The Board shall review this charter at least every five years.

45) The Board adopted this charter on April 19, 2012. Reviewed and amended May 19, 2016; December 21, 2017; June 21, 2018; October 17, 2019; March 18, 2021.

# **Exhibit C**

**CITY OF SAN JOSE**  
**EXECUTIVE MANAGEMENT AND PROFESSIONAL EMPLOYEES (UNIT 99)**  
**BENEFIT & COMPENSATION SUMMARY**  
**JULY 1, 2023 – JUNE 30, 2026**

**WAGES**

Fiscal Year 2023-2024

Effective June 25, 2023, employees in Unit 99 will receive a base pay increase of approximately 5.00%. This will result in both the top and bottom of the pay range being increased by approximately 5.00%.

Effective September 17, 2023, employees in Unit 99 will receive an additional base pay increase of approximately 1.00%. This will result in both the top and bottom of the pay range being increased by approximately 1.00%. This increase will not be compounded with the increase received, effective June 25, 2023, and shall be based on the rates of pay as of June 24, 2023.

Fiscal Year 2024-2025

Effective the first full pay period of Fiscal Year 2024-2025, employees in Unit 99 will receive a base pay increase of approximately 4.00%. This will result in both the top and bottom of the pay range being increased by approximately 4.00%.

Effective the first full pay period in January 2025, employees in Unit 99 will receive a base pay increase of approximately 1.00%. This will result in both the top and bottom of the pay range being increased by approximately 1.00%

Fiscal Year 2025-2026

Effective the first full pay period of Fiscal Year 2025-2026, employees in Unit 99 will receive a base pay increase of approximately 3.50%. This will result in both the top and bottom of the pay range being increased by approximately 3.50%.

If the revised Five-Year Forecast included as part of the 2025-2026 Proposed Operating Budget includes a \$10 million dollar surplus or more in Fiscal Year 2025-2026, the general wage increase effective the first full pay period of Fiscal Year 2025-2026, for employees in Unit 99 shall be 4.00%

**BILINGUAL PAY**

An employee who is required to use a non-English language on a regular basis may be eligible to receive a bi-weekly payment of \$60 for oral and/or written translation. A part-time benefited employee who is required to use a non-English language on a regular basis may be eligible to receive a premium pay of \$0.50 per hour actually worked. Employees must be certified as bilingual by the Human Resources Department.

**MANAGEMENT PERFORMANCE PROGRAM (MPP)**

The Management Performance Program is an annual employee evaluation system that provides eligible employees performance-based wage increases.

Each employee who is not already at the top of the salary range may be eligible to receive a performance-based increase for the rating period. The MPP also provides that employees may receive up to forty (40) hours of additional executive leave.

Please refer to City Policy Manual (CPM) Section 3.3.2 for additional information.



## PROFESSIONAL DEVELOPMENT PROGRAM (PDP)

Each eligible employee may be reimbursed for up to \$2,000 per fiscal year, (July 1 – June 30) for the purchase of textbooks required for an approved course, college accredited courses, non-college accredited courses, continuing education units, adult education classes, workshops, seminars, travel expenses, memberships in professional associations, professional licenses and professional certificates which are either related to and is beneficial for the work of the employee's current City position or occupation, must satisfy a continuing education requirement of the employee's current City position or occupation or must prepare the employee for advancement/promotion to positions of greater responsibility in the City that is within the employee's current trade or business.

A total of \$1,000 (of the \$2,000 annual maximum) may be reimbursed for professional materials that include professional books and professional magazine subscriptions, professional books to prepare for certifications or licensing, and other learning materials (learning/training software, videos, etc.) for educational purposes provided that the materials relate to and are beneficial for the work of the employee's current City position or occupation or are required of the employee's current City position or occupation.

The City will reimburse each eligible part-time benefited employee one hundred percent (100%) of expenses incurred, up to the maximum amounts per fiscal year listed below, pursuant to the terms and conditions as described in the City Administrative Policy Manual's Professional Development Program Policy.

Scheduled Work Hours per Week	Maximum Reimbursement for Part-Time Benefited Employees	Maximum Reimbursement for Professional Materials
35-39.9 hours per week	\$2,000.00	\$1,000.00
30-34.9 hours per week	\$1,500.00	\$750.00
25-29.9 hours per week	\$1,250.00	\$625.00
20-24.9 hours per week	\$1,000.00	\$500.00
Less than 20 hours per week	\$0.00	\$0.00

Please refer to CPM Section 4.3.2 for additional information and requirements.

*Temporary employees **are not eligible** for this benefit, except employees in the Management Fellow classification.*

## PROFESSIONAL MEMBERSHIPS

Each employee is eligible for reimbursement for membership fees or dues paid for the maintenance of a license required to perform employee's job and for dues paid for membership in one (1) additional job-related professional association.

*Temporary employees **are not eligible** for this benefit.*

## RETIREMENT

Full-time eligible employees are members of the Federated City Employees' Retirement System. For more information regarding retirement benefits, please refer to the Federated City Employees' Retirement System Handbook, which summarizes the information from the San Jose Municipal Code.

Retirement Tier	Eligibility	Retiree Healthcare
<b>Tier 1</b>	<ul style="list-style-type: none"> <li>Hired before September 30, 2012</li> <li>Tier 1 Rehires</li> </ul>	Defined Benefit: Dental with 5 years of service in the Retirement System, and Medical with 15 years of service in the Retirement System  <i>VEBA Option (No Ongoing Contributions)</i>
<b>Tier 1 Classic</b>	<ul style="list-style-type: none"> <li>Hired after September 30, 2012 with previous CalPERS or reciprocal service in a position receiving pension benefits before January 1, 2013</li> </ul>	Defined Benefit: Defined Benefit: Dental with 5 years of service in the Retirement System, and Medical with 15 years of service in the Retirement System <ul style="list-style-type: none"> <li>Only for employees hired between September 30, 2012 and September 27, 2013</li> <li><i>VEBA Option (No Ongoing Contributions)</i></li> </ul> <i>VEBA (No Ongoing Contributions – only eligible for an account if promoted from a bargaining unit represented position)</i> <ul style="list-style-type: none"> <li><i>For employees hired after September 27, 2013.</i></li> </ul>
<b>Tier 2A</b>	<ul style="list-style-type: none"> <li>Hired between September 30, 2012 and September 27, 2013</li> </ul>	Defined Benefit: Dental with 5 years of service in the Retirement System, and Medical with 15 years of service in the Retirement System  <i>VEBA Option (No Ongoing Contributions)</i>
<b>Tier 2B</b>	<ul style="list-style-type: none"> <li>Hired on or after September 27, 2013</li> </ul>	Ineligible for Retiree Healthcare  <i>VEBA (No Ongoing Contributions – only eligible for an account if promoted from a bargaining unit represented position)</i>
<b>Tier 3</b>	<ul style="list-style-type: none"> <li>In lieu of Tier 2B, employees may elect to make an irrevocable choice to enroll in a defined contribution retirement plan on their first day of employment.</li> </ul>	Ineligible for Retiree Healthcare

Fact sheets for Tier 1, Tier 1 Classic, Tier 2A, Tier 2B, and Tier 3 can be found on the Federated City Employees' Retirement System website hosted by Retirement Services Department at the following location:

- <https://www.siretirement.com/members/federated/active/know-your-benefits-active-federated/>

This section is just a summary of retirement benefits. The City's Municipal Code and/or City Charter provide the parameters of the City's retirement provisions.

*Part-time and temporary employees are not eligible for membership in the City's retirement system, but participate in the "PTC" plan in lieu of Social Security wherein the City and the employee each contribute 3.75% of gross income to a defined contribution retirement account.*

## RETIREE HEALTHCARE

Employees may be eligible to receive retiree healthcare benefits, in accordance with the San Jose Municipal Code.

The City established a qualified 115 trust ("Trust"). Employee contributions will begin going into the Trust in time to avoid any potential of reaching IRS limits on the existing medical benefits account or upon receipt of a ruling from the IRS that the contributions can be treated as pre-tax, whichever occurs first.

New employees hired into full-time benefited positions in Unit 99 on or after September 29, 2013, and who elect to join Tier 2, will not participate in or be eligible for the defined benefit retiree healthcare program. The City will pay the unfunded liability contribution that these employees and the City would have otherwise paid had they gone into the defined benefit retiree healthcare program.

The City implemented a defined contribution retiree healthcare benefit in the form of a Voluntary Employee Beneficiary Association (VEBA). The plan does not provide any defined benefit, does not obligate the City to provide any specific benefit upon member retirement, and therefore creates no unfunded liability. This agreement does not require the City to contribute any future funds to an employee's VEBA, nor does it preclude an agreement to allow future City contributions.

Tier 1 and Tier 2A employees were given the ability to make a one-time election to opt-out of the defined benefit retiree healthcare plan into the VEBA. Those members who "opted out," and thus are not covered by the City defined benefit retiree healthcare plan, were mandated to join the VEBA plan.

Upon making such an irrevocable election to opt-out of the defined benefit retiree healthcare plan, an amount estimated to equal the member's prior retiree healthcare contributions, with no interest included, was contributed by the City to the member's VEBA plan account. Tier 1 and Tier 2A employees who opted-in to the VEBA will not have any on-going contributions into the VEBA.

Tier 2B employees will not be required to join the VEBA, or make on-going contributions to the VEBA, if they promoted into Unit 99 from a bargaining unit represented position whose contract previously required on-going VEBA contributions.

Deferred-vested Tier 1 members who return to the City of San Jose will be given a one-time irrevocable option to "opt out" of the defined benefit retirement healthcare plan. The City may transfer funds from the 115 Trust to the member's VEBA plan account.

- (a) Upon choosing to "opt out," they will become a member of the VEBA and their VEBA account will be credited for their estimated prior contributions to the retiree healthcare plan, without interest.
- (b) If they choose not to "opt out," they will return to the defined benefit retirement healthcare plan.

New employees hired into Unit 99 who elect to join Tier 3 are ineligible for the retiree healthcare defined benefit program or the VEBA.

## DEFERRED COMPENSATION PLAN

To supplement retirement income, employees may put aside a percentage of gross taxable income up to a maximum set by Section 457 of the IRS code and have that money placed in investments on a tax-deferred basis.

Please contact Human Resources, Deferred Compensation Division for the current maximum amount that may be deferred.



Assets under this plan are available only upon retirement, separation from City service, or death. Additional contribution options are available to employees age fifty (50) and older and those within three (3) years of retirement.

## HEALTH INSURANCE<sup>1</sup>

The following healthcare cost structure for full-time employees shall begin in medical plan year 2019:

- a. **Medical Insurance Provider with Highest Overall Employee Enrollment.** The City will pay eighty-five percent (85%) of the full premium cost of the lowest priced Non-Deductible HMO Co-Pay Plan of the medical insurance provider with the highest overall employee enrollment for the employee or the employee and dependent coverage, and the employee pays fifteen percent (15%) of the full premium cost of the lowest priced Non-Deductible Co-Pay Plan of the medical insurance provider with the highest overall employee enrollment.
- b. **Medical Insurance Provider with Second Highest Overall Employee Enrollment.** The City will pay ninety percent (90%) of the full premium cost of the lowest priced Non-Deductible HMO Co-Pay Plan of the medical insurance provider with the second highest overall employee enrollment for the employee or the employee and dependent coverage, and the employee pays ten percent (10%) of the full premium cost of the lowest priced Non-Deductible Co-Pay Plan of the medical insurance provider with the second highest overall employee enrollment.
  - (i) Additionally, any Deductible plans offered by the medical insurance provider with the second highest overall employee enrollment and whose cost is below ninety percent (90%) of the full premium cost of the lowest priced Non-Deductible HMO Co-Pay Plan will be offered to full-time employees at no cost.
- c. **Medical Plans Other than the Lowest Priced Non-Deductible HMO Co-Pay Plans.** If a full-time employee selects a plan other than the lowest priced Non-Deductible HMO Co-Pay Plans described in Section 1(a) and Section 1(b) above, the employee pays the difference between the total cost of the selected plan and the City's contribution towards the lowest priced Non-Deductible HMO Co-Pay Plan of the medical insurance provider with the highest overall employee enrollment (as described in Section 1(a) above)

An employee may not be simultaneously covered by City-provided medical benefits as a City employee, and as a dependent of another City employee or retiree.

All available plans have a four (4) tier rate structure (Employee, Employee plus spouse/domestic partner, Employee plus Child(ren), and Family).

Additional information regarding medical plans is available on the Human Resources website.

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<sup>1</sup> Reimbursement/contribution is prorated for part-time employees based on hours scheduled:

- 30 – 39 hours = 75%
- 25 – 29 hours = 62.5%
- 20 – 24 hours = 50%
- Less than 20 hours = none

## DENTAL INSURANCE<sup>1</sup>

The City will provide dental insurance for eligible employees and their dependents in accordance with one of the two available plans. Both of these plans are described in detail in the City of San Jose Employee Benefits Handbook and in pamphlets available in the Human Resources Department.

For full-time employees, the City will pay 100% of the lowest priced plan for the employee or the employee and dependent coverage. For any other plan, the City will pay 95% for the employee or the employee and dependent coverage.

All available plans have a four (4) tier rate structure (Employee, Employee plus spouse/domestic partner, Employee plus Child(ren), and Family).

An employee may not be simultaneously covered by City-provided dental benefits as a City employee, and as a dependent of another City employee or retiree.

## HEALTH AND DENTAL IN LIEU

The purpose of the payment-in-lieu of health and/or dental insurance program is to allow employees who have alternative health and/or dental insurance coverage to drop the City's insurance and receive a payment in lieu. Effective as soon as practicable in Fiscal Year 2023-2024, employees who qualify for and participate in the payment in-lieu of health and/or dental insurance program will receive the following per pay period:

Health Insurance Tier	Health-in-Lieu	Dental-in-Lieu
Employee	\$102.00	\$6.65
Employee plus spouse/domestic partner	\$147.87	\$13.30
Employee plus Child(ren)	\$129.39	\$11.64
Family	\$221.84	\$19.95

A City employee who receives healthcare coverage as a dependent of another City employee or retiree shall be eligible for the employee only coverage for the payment-in-lieu of health and/or dental program.

An employee may choose, during open enrollment or within thirty days of a qualifying event, to drop health and/or dental coverage and receive a payment-in-lieu. To qualify, the employee must prove acceptable alternate group coverage and work 35+ hours/week.

## VISION CARE

The City will contribute towards vision care benefits for eligible full-time employees up to \$16.00 per month (\$8.00 for 24 bi-weekly pay periods) or the cost of the premium, whichever is less, for coverage under a vision plan sponsored by the City. The employee shall pay the difference between the City contribution and the total premium of the vision care plan selected by the employee. All available plans will have a 4-tier structure (Employee, Employee plus Spouse/Domestic Partner, Employee plus Child(ren) and Family).

<sup>1</sup> Reimbursement/contribution is prorated for part-time employees based on hours scheduled:

- 30 – 39 hours = 75%
- 25 – 29 hours = 62.5%
- 20 – 24 hours = 50%
- Less than 20 hours = none

## FLEXIBLE SPENDING ACCOUNTS - MEDICAL/DEPENDENT CARE

The City participates in Dependent Care Assistance and Medical Reimbursement Programs. Under these programs, employees may put aside up to \$5,000 in pre-tax income to pay for eligible dependent care and may set aside up to \$2,500 in pre-tax income for eligible medical care.

## LIFE INSURANCE

The City shall pay the full premium for employee coverage equal to two (2) times the employee's annual salary. Additional employee coverage equal to two (2) times the employee's annual salary, up to \$750,000 of total coverage, is available at employee cost. Coverage for spouse and/or dependent children for policies of \$5,000 or \$10,000 is available at employee cost.

*Part-time and temporary employees **are not eligible** for this benefit.*

## OPTIONAL BENEFITS

Optional benefits are available for employee, spouse/domestic partner<sup>2</sup> and children at employee expense. These optional benefits currently include but are not limited to:

- Vision Insurance (the City will contribute up to \$16 for vision care)
- Personal Accident Insurance
- Long Term Care Insurance ([Applications for LTC policies are no longer being accepted effective July 1, 2013](#))

Please contact Human Resources for more information.

## LONG-TERM DISABILITY

Employees have the option to purchase long-term disability insurance which will subsidize their income in the event of a non-work related injury or illness. The City does not participate in the State Disability Insurance plan. Therefore, if an employee suffers a non-work related injury or illness and is unable to work, the employee would not receive any City compensation.

The City offers employees a choice of two long-term disability plans, one with a 30-day waiting period and another with a 60-day waiting period. Employees must use accrued leave balances to receive compensation during the waiting period when using the long-term disability benefit.

*Temporary employees **are not eligible** to purchase long-term disability insurance.*

## EMPLOYEE ASSISTANCE PROGRAM

The City recognizes that professional counseling is an important benefit to assist employees in resolving personal and family issues which may otherwise affect the employee's job performance and well being. Through the Employee Assistance Program (EAP), licensed counselors are available to help employees resolve issues and identify strategies for coping with difficult situations.

The City will provide up to five (5) counseling sessions per incident per fiscal year at no cost to the employee.

*Part-time unbenefited and temporary employees **are not eligible** for this benefit.*

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<sup>2</sup> A domestic partner, as referenced in sections above, must be the domestic partner registered with the Human Resources Department.

## SUBSTANCE ABUSE PROGRAM

It is the policy of the City to maintain a safe, healthful and productive work environment for all employees. The City will act to eliminate any substance abuse which increases the potential for accidents, absenteeism, substandard performance, poor employee morale or tends to undermine public confidence in the City's workforce.

The Substance Abuse Policy prohibits employees from reporting to work under the influence of alcohol or drugs, exhibiting symptoms of alcohol or drug use, using, possessing, selling or providing drugs or alcohol while on duty, and employees shall not have the ability to work or be on paid standby when impaired as a result of the use of alcohol or drugs. Additionally, employees are required to notify their supervisor when any medication or drug they are taking could create an unsafe and dangerous situation. Employees may be requested to submit to a drug and/or alcohol analysis when there is reasonable suspicion that an employee is intoxicated or under the influence of drugs or alcohol.

The City offers self-referral and rehabilitation/treatment options for employees that may be experiencing a problem with alcohol and/or drug use. The City pays 70% of a first occurrence rehabilitation program and the employee pays 30% as approved by the Employee Assistance Program (EAP).

Please refer to CPM Section 1.4.2 for the complete policy.

*The Substance Abuse Policy applies to all employees; however, part-time and temporary employees **are not eligible** for the Employee Assistance Program benefit.*

## HOLIDAYS<sup>1</sup>

Full-time employees who are on paid status before and after the holidays specified below shall be eligible to receive holiday leave on each of the following fifteen (15) paid holidays:

New Year's Day	Juneteenth
Martin Luther King Day	Indigenous Peoples' Day
Lunar New Year	Veterans Day
Presidents' Day	Thanksgiving Day
Cesar Chavez Day	Day After Thanksgiving
Memorial Day	Christmas Eve Day
Independence Day	Christmas Day
Labor Day	

For employees in the Police and Fire Department who receive Holiday-in-Lieu compensation or where employees received a special pay adjustment in place of Holiday-in-Lieu compensation, there shall be no additional holiday compensation.

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<sup>1</sup> Reimbursement/contribution is prorated for part-time employees based on hours scheduled:

- 30 – 39 hours = 75%
- 25 – 29 hours = 62.5%
- 20 – 24 hours = 50%
- Less than 20 hours = none



## VACATION

Vacation accrues at the following rates for each paid hour (either worked or paid absence):

<b>Years of Service</b>	<b>Annual Hourly Accrual (Full Time)</b>
1 – 5	120 hours
6 – 14	160 hours
15+	200 hours

Employees may only accrue vacation up to a maximum of two (2) times their annual accrual rate. Once an employee reaches their maximum accrued vacation limit, the employee will not accrue vacation until their vacation balance falls below the maximum limit.

<b>Years of Service</b>	<b>Maximum Accrued Vacation</b>
1 – 5	240 hours
6 – 14	320 hours
15+	400 hours

Beginning calendar year 2024, employees may sell back up to a maximum of seventy (70) hours of accrued vacation per calendar year.

Internal Revenue Service (IRS) regulations require the City to report and withhold taxes on the value of the vacation time an employee is eligible to sell back. In order to ensure compliance with the IRS requirements and to avoid unanticipated tax consequences:

- Employees must elect the number of vacation hours they will sell back during a calendar year, up to the maximum of seventy (70) hours, by the end of November of the prior year. If an employee does not submit an irrevocable election form to Payroll on or before the end of November, the employee will not be eligible to sell back any vacation hours during the next calendar year.
- The election to sell back vacation hours in any year is irrevocable. This means that employees must sell back the elected number of accrued vacation hours during that year. If the accrued vacation hours are not sold back within the designated calendar year the employee will be deemed to have received the value of the vacation hours elected in that calendar year and will be taxed by the IRS accordingly.
- Employees can elect to sell back only vacation hours accrued during any given year, and any vacation hours accrued and carried over prior to that year are not eligible for sell back during that year.
- Any vacation hours accrued during that year will not be available for use until the employee's accrued vacation hours in that year equal the number of hours the employee has elected to sell back. Those vacation hours accrued in the given year over the number of hours the employee elected to sell back in the given year will be available for use by the employee. This means that hours elected for sell back may only be used for sell back purposes and cannot be used for vacation time off purposes.

Employees may use any vacation hours accrued and carried over prior to the given year, subject to the normal rules of requesting use of vacation.

## VACATION ACCRUAL GUIDELINES FOR PRIOR PUBLIC SERVICE

The City Manager or designee is authorized to adjust the annual vacation accrual of an employee in Unit 99, hired on or after June 13, 2013, for the purpose of hiring or re-hiring that employee into City service. This action allows hiring managers to place new or rehired employees with prior public service credit at a vacation accrual rate commensurate with their total years of public service with the approval of the City Manager or designee.

### *Process/Guidelines*

An employee's vacation accrual may be adjusted upon first hire or rehire date to provide the employee with credit for previous public service upon the approval of the City Manager or designee.

1. Credit for public service shall only be given for completed years of service as a full-time benefitted employee.
  - a) If an individual worked at a public service agency on a part-time benefitted basis, completed years will be based on the completion of 2,080 hours.
  - b) For example, if an employee has previously worked six (6) complete years in another public agency or a combination of public service and service with the City of San Jose, the City Manager or designee may authorize the employee to accrue vacation at the 6-14 annual hourly rate, which is 160 hours per year. The below table illustrates the Unit 99 vacation annual hourly accrual rates by years of service:

Years of Service	Annual Hourly Accrual (Full Time)
1 – 5	120 hours
6 – 14	160 hours
15+	200 hours
  - c) Vacation accrual caps shall apply to the designated annual hourly accrual rate.
2. Public service credit shall not apply to any other benefits.
3. The employee has the responsibility to prove certification of previous public service from the employer's previous employer(s), if so requested.
  - a) A public service agency may be defined as a(n) International Federal, State, City, County, Special District, or other publicly funded agency that provides programs, goods, or services. A public agency is not defined as a not-for-profit organization or non-governmental organization that relies on donations and volunteers to operate.

## EXECUTIVE LEAVE<sup>1</sup>

Effective payroll calendar year 2024, each full-time employee shall be entitled to an additional eight (8) hours of executive leave hours which is granted in recognition that City employees may wish to observe a personal holiday that is not observed by the City. Executive leave is a benefit awarded as hours/days off,

<sup>1</sup> Reimbursement/contribution is prorated for part-time employees based on hours scheduled:

- 30 – 39 hours = 75%
- 25 – 29 hours = 62.5%
- 20 – 24 hours = 50%
- Less than 20 hours = none

up to a maximum of forty-eight (48) hours/ six (6) days during a payroll calendar year. Executive leave is not an accrued benefit and unused leave does not carry over from year to year.

The Management Performance Program (MPP) provides that employees may receive up to forty (40) hours of additional executive leave.

When an employee is hired into a position eligible for executive leave, the leave may be prorated during the first year, dependent upon the hire date.

When an employee is hired or promoted into a position eligible for executive leave, the leave will be prorated during the first-year dependent upon the hire date.

<b>Start Date in Position</b>	<b>Hours of Executive Leave</b>
January 1 – February 28 (February 29 on a Leap Year)	48 hours
March 1 – April 30	40 hours
May 1 – June 30	32 hours
July 1 – August 31	24 hours
September 1 – October 31	16 hours
November 1 – End of Payroll Calendar Year	8 hours

An employee who is promoted or demoted into a position in Unit 99 will have the number of Executive Leave hours they receive upon promotion or demotion reduced on an hour-for-hour basis based on their usage of Personal Leave and/or Executive Leave within the same payroll calendar year.

An employee on a reduced work week schedule will receive executive leave as indicated in the chart below even if the actual hours worked exceed that amount.

<b>Scheduled Work Hours per Week</b>	<b>Benefit Level</b>	<b>Hours of Executive Leave</b>
35-39.9 hours per week	100%	48 hours
30-34.9 hours per week	75%	36 hours
25-29.9 hours per week	62.5%	30 hours
20-24.9 hours per week	50%	24 hours
Less than 20 hours per week	Unbenefited	None

Further details related to Executive Leave, including details related to the use of the four-hour rule, are contained in City Administrative Policy Manual 4.2.4, Executive Leave and Absence Policy.

## **SICK LEAVE**

Paid sick leave accrues at a rate of 0.04616 for each paid hour (either worked or paid absence). For a full-time employee, this equals approximately one (1) day per month. Accrued sick leave may be used for the care related to the illness or injury of employee’s child, mother, father, spouse, or domestic partner<sup>2</sup>.

<sup>2</sup> A domestic partner, as referenced in sections above, must be the domestic partner registered with the Human Resources Department.

Up to a total of forty-eight (48) hours of accrued sick leave per calendar year may be utilized if the employee is required to be absent for the care related to the illness or injury of the employee's grandparent, grandchild, brother, sister, father-in-law, mother-in-law, step-father, step-mother, step-child, or designated person as defined in the City Policy Manual 4.2.1, Leaves of Absence Policy.

## SICK LEAVE PAYOUT

Members of the Federated Retirement System hired on or before September 29, 2012, and who retire with at least fifteen (15) years of service are eligible to receive, upon retirement, payout for a portion of their unused earned sick leave at the rate described below:

Accrued Sick Leave Hours	Sick Leave Payout
0 – 399 Hours	50% of final hourly rate
400 – 799 Hours	60% of final hourly rate
800 – 1,200 Hours	75% of final hourly rate

Effective June 22, 2013, for purposes of sick leave payout, an employee's sick leave balance and hourly rate shall be frozen. This means that an employee will receive no more in sick leave payout after having met the requirements contained herein than they would have been entitled to on June 22, 2013. Any sick leave usage after June 22, 2013, will come first from the sick leave balance accrued after June 22, 2013. An employee will continue to accrue sick leave after June 22, 2013, but it may not be used for sick leave payout purposes.

- For example, if an employee's hourly rate is \$40 and their sick leave balance is 1,000 hours on June 22, 2013, if they meet eligibility requirements, they shall receive payout of their sick leave balance at the time of retirement using the formula above, but no more than 1,000 hours and at an hourly rate of no more than \$40. This will occur even if the employee has subsequently earned more than 1,000 hours in sick leave or received a pay increase so that their hourly rate is higher than \$40. In this example, if the employee does not have available sick leave to use that was accrued after June 22, 2013, and uses sick leave and reduces their sick leave balance on June 22, 2013, to 800 hours, they will only be entitled to a sick leave payout of 800 hours, regardless of any sick leave accrued after June 22, 2013. This means that if sick leave payout hours are reduced by usage, they are not able to be reestablished in the sick leave balance subject to payout.

Employees hired on or after September 30, 2012, shall not be eligible for any sick leave payout.

*Part-time and temporary employees are not eligible for this benefit.*

## MILITARY LEAVE

Persons employed by the City engaging in active military duty for training or other purposes may be provided paid military leave for up to thirty (30) calendar days per fiscal year. In addition, under certain circumstances the City may provide Supplemental Salary and benefits for eligible employees. Please refer to CPM Section 4.2.2 for additional information.

## DISABILITY LEAVE

Employees will be allowed to integrate accrued vacation and accrued sick leave once vacation has been exhausted. No employee shall receive an amount, including any temporary disability payments, in excess of their regular salary.



## **MODIFIED DUTY**

Employees shall be voluntarily separated from City service if the City offers the employee temporary modified duty at identical or similar rate of pay, within the employee's medical limitations, and the employee refuses or fails to accept duty for which he or she is physically qualified. Any such separations will comply with applicable laws.

## **LEAVES OF ABSENCE**

Unpaid leaves of absence may be granted for up to twelve (12) months, with possible extension of up to six (6) months. (Employees on unpaid leave may continue their insurance benefits by paying full premiums.) Please refer to CPM Section 4.2.1 for program details.

## **CITY-PAID PARENTAL LEAVE**

Full-time employees shall be eligible for City-paid parental leave and are subject to the terms and conditions of the City of San Jose's Paid Parental Leave Policy.

Effective January 1, 2023, for eligible births, adoptions, or foster care placements, full-time employees will receive a maximum total of three hundred and twenty (320) hours of paid time off and shall be eligible to use up to a maximum total of one-hundred and twenty (120) hours of their available sick leave for City-Paid Parental Leave reasons.

- For the period of January 1, 2023, through August 15, 2023, no retroactive timecard adjustments will be allowable and any additional City-paid parental leave hours as provided for herein may only be used on a prospective basis.

City-Paid Parental Leave and the use of available sick leave balances for City-Paid Parental Leave reasons must be used and completed no later than 12 months from the birth or placement of a child.

## **BEREAVEMENT LEAVE**

Employees shall be entitled to use bereavement leave for up to five (5) days due to the death of a qualifying relative or their spouses' or domestic partners' qualifying relative. The days of bereavement leave need not be consecutive. Each full-time or benefited part-time employee shall be granted bereavement leave with full pay for up to forty (40) hours to attend to the customary obligations arising from the death of any of the following relatives of such employee or employee's spouse or employee's domestic partner<sup>2</sup>. Due to the employee's regular work schedule, if the five (5) day entitlement exceeds forty hours, employees may supplement the remaining time off using their accrued leave balances, including, but not limited to, sick leave.

All leave must be used within three (3) months following the death of an eligible person. Under extreme circumstances, the 3-month requirement may be waived by the Director of Employee Relations. The decision of the Director of Employee Relations shall be final with no process for further appeal.

Qualifying employee or employee's spouse or employee's domestic partner relatives are as follows:

- Parent/Step parent
- Spouse/Domestic partner<sup>2</sup>
- Child/Step child
- Brother/Sister
- Grandparent/Step-grandparent
- Grandchild
- Great grandparent
- Son/daughter in-law

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<sup>2</sup> A domestic partner, as referenced in sections above, must be the domestic partner registered with the Human Resources Department.

- Step Brother/Step Sister
- Half Brother/Half Sister
- Brother/sister in-law

## **JURY DUTY LEAVE**

Each full-time employee, or each part-time employee who is eligible for benefits, who is required to take time off from duty to serve as a juror in any Court of this State, or of the United States of America, shall receive the regular base compensation less all jury fees received, excluding mileage. Each employee receiving a notice to report for jury service shall immediately notify the immediate supervisor.

## **TIME DONATION PROGRAMS**

The City has Time Donation Programs, which allow employees to donate accrued vacation to fellow employees under special circumstances. An employee must meet the criteria established under the Time Donation Policy to receive time donations. Please refer to CPM Section 4.2.10 for additional information.

## **SPECIAL PREMIUM PAYS**

At the City Manager's discretion, special premium pays may be given to those employees in the classifications of Police Chief, Assistant Police Chief, Fire Chief, Assistant Fire Chief and/or Deputy Fire Chief. The City Manager may tender special premium pays either as separate special pays or roll them into the base pay for employees in these classifications.

## **TECHNOLOGY STIPEND**

Effective June 25, 2023, eligible full-time and part-time benefitted employees in Unit 99 will receive a monthly Technology Stipend in the amount of \$90. The Technology Stipend shall be in lieu of any Cellular and/or Data Plan Stipend that any employee may be receiving or may have been eligible for.

## **WORKING IN A HIGHER CLASSIFICATION**

For employees in Unit 99, higher class pay shall be paid based on all pensionable hours reported. Employees shall not receive the rate of compensation, however, unless the assignment is for a minimum of 2 full pay periods.

# **Exhibit D**

**Vehicle Allowance****1.8.4****PURPOSE**

It is the administrative policy of the City of San Jose that the City Manager may approve a vehicle allowance for members of Senior Staff under the City Manager's appointing authority. In limited circumstances, the City Manager may authorize use of a City vehicle in lieu of a vehicle allowance.

**SCOPE**

This policy applies to members of Senior Staff under the City Manager's appointing authority. Senior Staff currently includes the following classifications:

1. Assistant City Manager
2. Deputy City Manager
3. Executive Assistant to the City Manager
4. Department Director
5. Office Director
6. Director of Communication

**POLICY**

1. The private vehicle allowance is currently \$350 per month and will be treated as income by the Internal Revenue Service (IRS) and will be reported on the employee's W-2 form.
2. For those who receive a vehicle allowance, the following rules apply:
  - a. This allowance is to cover all costs of vehicle transportation used for conducting City business within a 75 mile radius of City Hall. No pool car usage or other travel reimbursement for vehicle usage is to be received except when conducting City business outside a 75 mile radius of City Hall in which case a pool car may be used or mileage reimbursement may be paid. Mileage reimbursement will be granted for miles incurred beyond the 75 mile radius. For example, a round trip to Sacramento is 240 miles, less 150 miles within the radius, an employee will be reimbursed for 90 miles.
  - b. Each person must have a valid California Driver's License and a current City Driving Permit. The proof of a valid California Driver's License is to be given, on demand, to the City Manager or designee.
  - c. Each person must provide proof of insurance by producing a copy of the policy or a statement of insurance coverage showing the policy number, expiration date, and coverage for a minimum of a \$300,000 combined single limit for bodily injury and property damage for privately-owned vehicle(s) to be used on City business. The proof of insurance is to be given, on demand, to the City Manager or designee.
  - d. Only 4-wheeled motor vehicles shall be used. Motorcycles, motor scooters, bicycles and similar 2- or 3-wheeled mechanical conveyances will not be used unless specifically authorized by the City Manager.
  - e. This allowance will be paid regardless of paid absences, except Administrative leave, unless otherwise directed by the City Manager, until separation from the City.
  - f. For those persons who begin the allowance option after the beginning of the month or terminate the allowance option before the end of the month, partial payment for that month shall be based on the number of working days the allowance was in effect.



**Vehicle Allowance****1.8.4**

- g. The allowance shall be paid in the payroll check issued on the first payday of the month, following the month for which the allowance was earned.
- h. The allowance will be reported annually on W-2 forms as additional income.

**PROCEDURES**Senior Staff  
Member

1. Completes Request for Senior Staff Request for [Vehicle Allowance Form](#) and submit to the City Manager for approval.

NOTE: Signing this request implies compliance with the Conditions listed above.

City Manager

2. Reviews Senior Staff Request for Vehicle Allowance form and:
  - a. Approves and returns request to requestor.
  - b. Keeps a record of all Managers receiving approval for vehicle allowance.
  - c. If request is denied, returns unsigned request to requestor with an explanation for the denial.
  - d. Files a copy for City Manager's records

Senior Staff  
Member

3. Upon receipt of approved Senior Staff Request for Vehicle Allowance, forwards original to Finance.

Finance  
Department

4. Implements vehicle allowance.

Approved:

\_\_\_\_\_  
/s/ Julia H. Cooper  
Director of Finance

\_\_\_\_\_  
December 17, 2015  
Date

Approved for posting:

\_\_\_\_\_  
/s/ Jennifer Schembri  
Director of Employee Relations

\_\_\_\_\_  
December 17, 2015  
Date

# **Exhibit E**

## Relocation and Moving Expenses for New Hires

### **Definitions:**

- 1) “New Hire” means John Flynn.
- 2) “Hiring Manager” means Boards of Administration of the San José Federated City Employees’ Retirement System and the San José Police and Fire Department Retirement Plan (together, “Boards”), who have designated Trustee Anurag Chandra and Trustee Andrew Gardanier to be the point person on their behalf. They can be contacted via email at [trusteeanurag.chandra@sanjoseca.gov](mailto:trusteeanurag.chandra@sanjoseca.gov) and [andrew.gardanier@sanjoseca.gov](mailto:andrew.gardanier@sanjoseca.gov).

### **Moving Expenses:**

- 1) Moving expense reimbursements are limited to New Hires at the level of Deputy Director or higher who are changing their place of residence from outside of the greater San Francisco Bay Area to accept employment with the Boards of Administration of the San José Federated City Employees’ Retirement System and the San José Police and Fire Department Retirement Plan (together, “Boards”).
- 2) The guidelines are as follows:
  - a. The employee was appointed to a Deputy Director position, or higher;
  - b. The employee currently lives outside the greater San Francisco Bay Area;
  - c. The employee must have changed his/her place of residence for the purpose of accepting employment with the City of San José;
  - d. The maximum reimbursement amount will be specified in the employment contract or offer letter.
- 3) The following guidelines must be observed when determining allowable moving expenses:
  - a. The selection of a moving company requires three (3) bids and the average of the three (3) bids should be selected.
  - b. Advances will not be given for moving expenses.
  - c. All receipts must be furnished to be reimbursed.
  - d. The maximum reimbursable amount for all total moving expenses shall be \$10,000.
- 4) The Hiring Manager is responsible for reviewing moving company bids, and shall send this documentation to the Finance Department as outlined in the Procedures for New Hire Reimbursement portion of this policy, below.

### **New Hire Travel Reimbursement for “House Hunting”:**

- 1) Airfare will be paid if the following guidelines are met:
  - a. The New Hire currently lives outside the greater San Francisco Bay Area;
  - b. A maximum of two (2) round trips may be paid for “house hunting;”
  - c. Reimbursement of airfare for members of the New Hire’s family is limited to the New Hire plus one (1); and
  - d. Airfare is to be purchased as early as possible on any of the airlines that operate out of San José Mineta International Airport.
- 2) Reimbursements will only be made for “Standard” or “Coach” level seating. If the New Hire chooses to upgrade their seat above “Standard” or “Coach” level seating, the New Hire must pay the additional cost. If the New Hire wishes to upgrade their seat above “Standard” or “Coach,” they must inform the Hiring Manager, or designee, of their desire

prior to purchasing their ticket in order to determine the cost borne by the Plans versus the cost borne by the New Hire.

- 3) San José Mineta International Airport must be used as the destination and departure airport.

**Temporary Lodging:**

- 1) Guidelines for reimbursement of temporary lodging in relation to moving expenses are as follows:
  - a. Temporary lodging is for a maximum of two (2) months while the New Hire is looking for permanent housing.
  - b. The Plans will pay for a standard room in a business level hotel in San José. Examples of business level hotel would be Extended Stay Hotels.
    - i. If the New Hire chooses to “upgrade” their hotel room, the New Hire shall pay the cost difference.
    - ii. If the New Hire chooses to “upgrade” their hotel room, they must inform the Hiring Manager, or designee, of their desire prior to reserving their hotel accommodations in order to determine the cost borne by the Plans versus the cost borne by the New Hire.
    - iii. If the New Hire wishes to obtain temporary lodging through a short-term rental service, such as Airbnb or equivalent, instead of a hotel then the New Hire must inform the Board Chairs prior to making reservations so that the Plans can determine the cost of a standard room at a business level hotel in San José. If the cost of the Airbnb accommodations exceeds the cost of a standard room at a business level hotel in San José, then the New Hire shall pay the cost difference.
  - c. Advances will not be given for temporary lodging.
  - d. All receipts must be furnished to be reimbursed.
  - e. No reimbursement or cost equivalent will be provided if the New Hire stays with family or friends.



# **Exhibit B**

# Flexible Workplace Policy

**4.2.14**

## PURPOSE

This policy contains guidelines for the City of San Jose's Flexible Workplace Program. The guidelines and requirements described in this policy are applicable to those City employees participating in the City's Flexible Workplace Program.

The Flexible Workplace Program is intended to:

- Attract and retain employees by remaining competitive with the changing workforce and increasing employee job satisfaction
- Support employee work/life balance; however, it is expected that employees working remotely will have adequate child/eldercare, as needed, to minimize distractions that would not otherwise exist at the employee's worksite
- Reduce the workforce carbon footprint by allowing employees to commute to a City facility/worksite less often
- Decrease traffic congestion by allowing employees to travel during non-peak hours
- Increase employee job satisfaction
- Protect employee health and safety and reduce the risk of exposure to communicable disease, when necessary
- Allow for the continuity of government services in the event of an emergency

## POLICY

The Flexible Workplace Program allows employees to enter into an agreement to schedule portions of their work week away from their regular worksite. Participating employees would work a full workday, but the Flexible Workplace Program allows start and end times and the number of hours in the office to be scheduled differently between individual days of the week. If an employee is also on an Alternative Work Schedule, that schedule must also be approved pursuant to City Policy Manual Section 4.2.11, [Alternative Work Schedules Policy](#).

An ongoing Flexible Workplace schedule (affecting one or more days a week) must be approved before it commences, and shall be combined with days and hours worked at the worksite. Under special circumstances or in the event of a declared emergency, employees who are able to work a majority or all of their scheduled hours remotely may be required to do so.

Employees who occasionally work remotely can do so with supervisory approval and will be compensated according to their applicable MOA. The Flexible Workplace Program is not intended to discourage or supplant these infrequent and/or varied arrangements employees make with their supervisors.

The inability to enter into a Flexible Workplace agreement with an employee shall not be subject to the grievance procedure under the employee's applicable bargaining unit agreement.

The duties, obligations, responsibilities and conditions of a Flexible Workplace participant's employment with the City remain unchanged. The participating employee's salary, retirement, benefits and City-sponsored insurance coverage shall remain unchanged. Participants remain obligated to comply with all City, State and Federal rules, policies and practices including, but not limited to, City Policy Manual Section 1.2.1, [Code of Ethics Policy](#). Flexible Workplace participants and their supervisors remain obligated to comply with all City of San Jose rules, regulations,

## Flexible Workplace Policy

**4.2.14**

policies, procedures, MOA provisions and the Fair Labor Standards Act (FLSA). The violation of any of the above and/or the misuse of City time or any City-provided equipment may result in preclusion from the Flexible Workplace Program and/or disciplinary action, up to and including dismissal from City service.

### Eligibility

When recommending approval, a supervisor should consider whether the employee is on probation in the current classification, and if so, whether working remotely will allow the supervisor to provide an appropriate amount of training, guidance, and oversight to the employee. For employees who have completed probation in their current classification, supervisors should consider when recommending approval whether the employee's recent performance is indicative of the employee's ability to work remotely.

While working remotely, an employee's performance is expected to meet their supervisor's expectations prior to and during any flexible work arrangement. If an employee's performance no longer meets expectations, then the supervisor and department are expected to rescind approval for the employee to work remotely.

Employees participating in the Flexible Workplace Program must be able perform their job duties as productively offsite as they do at their designated worksite. Employees' participation in the Flexible Workplace Program should also not lower the level of service delivery for the participant's work unit. Employees must have adequate internet and telecommunications capabilities to perform job requirements. Positions, especially ones that are chiefly focused on field work or that are directly customer facing, may not be compatible with the Flexible Workplace Program. However, efforts should be made to evaluate whether a portion of an employee's work duties that are compatible with working remotely can be scheduled as part of the Flexible Workplace Program.

### Location

Generally speaking, an employee must continue to reside in and work from a location within the State of California.

### Flexible Workplace Approval

City employees may apply for the Flexible Workplace Program by completing a [Flexible Workplace Agreement](#) and submitting it to the employee's supervisor.

The Flexible Workplace Agreement is a document that acknowledges a clear understanding of the roles and responsibilities between a participating employee and their supervisor. The employee must also be granted Remote Access to participate. Please see City Policy Manual Section 1.7.3, [Remote Access](#) for more information.

Approval is granted when the Flexible Workplace Agreement is signed by the employee, the employee's supervisor, manager, and Department Director or designee.

In the event of an emergency, Department Directors may determine that employees are required to perform all or some of their duties remotely. Employees are expected to abide by the Flexible

**Flexible Workplace Policy****4.2.14**

Workplace Policy and to any other specific written instructions provided by the City and their department.

Concerns that an application was denied, or an agreement was rescinded for inappropriate reasons, may be raised to the Office of Employee Relations, but such decisions are not grievable.

Termination of Participation

*The Flexible Workplace Program is a cooperative effort between the employee and the department. It is not an entitlement.*

- The Flexible Workplace Program is entirely voluntary and may be suspended or canceled by the employee or the City/Department at any time. Termination of participation in the Flexible Workplace Program is administrative and the decision may not be subject to the grievance procedure or appealed.
- If an employee's Flexible Workplace Agreement is revoked due to previously communicated performance concerns, the department shall provide the employee with written performance targets. The employee's performance shall be evaluated over a period of 90 days following the revocation of the Flexible Workplace Agreement. If the employee has consistently met the performance targets provided by the department over the period of 90 days, then the employee shall be eligible to resume their previously agreed to Flexible Workplace Agreement, absent any operational needs from the department.

Scheduling

The operational needs of the City take precedence over an employee's Flexible Workplace schedule. The Flexible Workplace schedule shall be governed by the following guidelines:

- The flexible workplace schedule may be consistent or may vary by mutual agreement between the employee and supervisor depending on the operational needs of the department.
- Flexible Workplace Program participants shall be as accessible as their onsite counterparts during their agreed upon regularly scheduled hours of work (i.e. Flexible Workplace Program participants shall be available for phone calls, meetings by video, and/or electronic communication within the hours specified in the Agreement and designated as the work schedule).
- Flexible Workplace Program participants are required to maintain regular communication (e.g., by phone, by email, etc.) with their supervisors during the employee's regularly scheduled hours of work pursuant to the provisions of the Flexible Workplace Agreement. Supervisors may provide more specific responsiveness requirements if they so choose.
- On any specific day, the employee should use good judgment on whether it is advisable to forgo offsite work in order to be at the regular worksite based on the nature of one's work that day. It is the employee's responsibility to communicate with their supervisor in advance of coming in on an unscheduled day and departments/supervisors will determine what communication is required.

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- The flexible workplace schedule may consist of full workdays at an onsite location (i.e., City facility or assigned location in the field), full workdays at an offsite remote location (i.e., an employee's home), or portions of workdays at an onsite location and at an offsite location. Generally speaking, travel to and from an employee's offsite (home) remote location is not compensable and does not count toward completing the employee's workday if their time on a given day is split between the onsite and offsite remote locations.
- A Flexible Workplace Program participant must agree to work in the office or at the worksite on a day regularly scheduled for remote work if working remotely would not be practicable because of the specific needs of the department, workgroup, assignment, or project for the day(s).
- If the department deems it necessary that the employee be required to report to an onsite location on a scheduled offsite remote workday, the Flexible Workplace Program participant should be provided reasonable notice. If such notice is given, the employee's worksite on that day will be the onsite location. However, unforeseen circumstances may arise and a supervisor/department may require the employee to report to an onsite worksite immediately or later that same day. In these instances, travel to the onsite location during the employee's regularly scheduled working hours is compensable if notice is provided at the start of or during the employee's scheduled work shift. Travel home after the work shift ends is not compensable.

Flexible Workplace participants may be required to work beyond the customary 40 hours per week to ensure successful completion of job responsibilities. City policies regarding overtime pay and the application of Fair Labor Standards Act (FLSA) rules will also apply to employees participating in the Flexible Workplace Program. For all hourly or FLSA non-exempt employees, overtime work must be preauthorized by the supervisor/manager.

Time Accountability

Employees are responsible for promptly responding to their supervisor and teams during work hours. Where a message is urgent, employees shall respond within 30 minutes.

**The actual time worked by the employee, as established by the Flexible Workplace Agreement, must be accurately recorded on their timesheet. Fraudulent time reporting is subject to discipline, up to and including dismissal from City service.**

Work Environment

The Flexible Workplace participant's workstation is an extension of the City's workspace. Participants shall have a designated workspace approved by the City and maintained by the employee. An employee's remote workspace must be maintained in a safe condition, free from hazards and other dangers to the employee and the work equipment. This workspace is subject to inspections, upon request, to ensure that safe work conditions exist. If the City has deemed that the employee requires a modified workstation in their main place of work, their home workstation must be similarly modified. The participant will be responsible for any cost related to remodeling and setup of the designated workspace.



**Flexible Workplace Policy****4.2.14**Phone Number

Employees are required to be available for verbal conversations while working remotely. Depending on the nature of one's work, an employee may have the ability to make and receive telephone calls through computer-based software and/or via programs such as Zoom or Teams.

For employees with assigned desk phones, the employee may forward their City-assigned phone number to an accessible phone while working away from their City workspace. If the employee has not forwarded their City-assigned phone number to another number, the employee shall make an alternative phone number available to City employees and customers as needed and shall check their City-assigned phone number regularly for voicemails (i.e., not less than twice per eight-hour shift or at a more regular interval as defined by the employee's supervisor).

Equipment, Equipment Maintenance, Repair and Replacement

Any equipment and/or software provided to the employee for remote use shall remain property of the City. The use of equipment, software, data, and supplies, when provided by the City for use at the Flexible Workplace location, is limited to the employee and only for purposes relating to City business. When City equipment is provided, the employee is responsible for seeing that the equipment is properly used and secured. The City shall provide for repairs to City equipment unless the damage is due to the employee's negligence.

Security Information is a valuable City asset and must be protected from unauthorized, incorrect or accidental access, use modification, destruction or disclosure. Flexible Workplace participants will be held accountable for securing information by taking reasonable and prudent measures to safeguard information on a routine basis in accordance with City Policy Manual Section 1.7.6, the [Information Security Policy](#). Flexible Workplace participants shall store City files in a secured space while working offsite. Please see City Policy Manual Section 1.7.3, [Remote Access](#), for more information.

Expenses

The following are guidelines governing expenses for participating employees:

- Unless otherwise indicated by the department, expenses for long distance calls made out of the designated office location shall be the responsibility of the employee. Out-of-pocket expenses for supplies shall not be reimbursed unless prior approval by the Department Director or designee is obtained.
- All Internet related expenses shall be the responsibility of the employee.

An employee's expenses, in which an employee has requested reimbursement, not specifically covered in this policy must be pre-approved by the employee's department.

Employees accessing the City's network must follow the guidelines set forth in City Policy Manual Section 1.7.1, [Use of E-Mail, Internet Services, and other Electronic Media](#).

## Flexible Workplace Policy

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### Workers' Compensation

Flexible Workplace Program participants are covered under the City's Workers' Compensation Insurance Program. Since the employee's remote workspace shall be considered an extension of the City's workspace, the City's Workers' Compensation liability for job related accidents or injuries shall continue to exist during the employee's Flexible Workplace Program work hours. The employee remains liable for injuries to third-party persons and/or members of the employee's family on employee's premises. Any injury or illness that may be related to work-related activities should be immediately reported by the employee to their supervisor so that Workers' Compensation can determine compensability.

### Safety Requirements

The City/Department may require that a supervisor or appropriate person conduct a safety inspection of the Flexible Workplace participant's home or remote office. Employees are encouraged to view the City's [safety and ergonomics materials](#) to ensure that their flexible workspace is properly set up.

All work-related vendors or outside individual visits to the employee's home, remote office are strongly discouraged. However, if there is an articulable need, such visits must be approved by the City/Department Director or designee prior to conducting City business at the employee's home or remote office.

### Monitoring and Evaluation

Productivity needs to be measured to ensure that the Flexible Workplace Program is achieving its objectives to increase or maintain employee productivity, reduce carbon emissions, support work/life balance, increase job satisfaction, and retain and attract employees. Since not every task can be quantifiably measured, the supervisor should establish clear expectations and guidelines.

In addition, each department will designate a representative to coordinate the participation in the Flexible Workplace Program within their respective department. This representative will be responsible for their department's program evaluation such as monitoring changes in employee retention and absenteeism, changes in required parking spaces, and reports of employee productivity. The Office of Employee Relations will serve as the designated recordkeeper of Citywide participation in the Flexible Workplace Program.

### Tracking

The Office of Employee Relations will maintain record of employees who have approved Flexible Workplace Agreements. A list of employees who have an approved agreement will be provided to a bargaining unit upon request once an automated business process for applications is developed and implemented.

## PROCEDURES

The following procedure applies to all requests for participation in the Flexible Workplace Program:

**Flexible Workplace Policy**

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<u>Responsibility</u>	<u>Action</u>
Employee	1. Fill out the <a href="#">Flexible Workplace Agreement</a> and submit for approval.
Supervisor, Manager, and Department Director	2. Review the Agreement and provide signature, if approved. Engage in conversation with employee if not approved.
Employee	3. Submit Remote Access request forms for approval to IT Department (See City Policy Manual Section 1.7.3, <a href="#">Remote Access</a> ) and Agreement to the Office of Employee Relations. Inform OER if employee cancels Flexible Workplace Program.
Office of Employee Relations	4. Document Agreement and maintain records of employee participation, including cancellation.

Approved:

/s/ Jennifer Schembri  
 Director of Employee Relations  
 Director of Human Resources

November 1, 2023  
 Date

Approved for posting:

/s/ Jennifer A. Maguire  
 City Manager

November 1, 2023  
 Date