

EXHIBIT B

**CITY OF NAPA
POLICE CHIEF COMPENSATION AND TERMS OF EMPLOYMENT
SUMMARY**

Effective October 21, 2025

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SECTION 1. SCOPE

- 1.1 This "Police Chief Compensation and Terms of Employment Summary" ("Summary") describes the salary, benefits, and conditions of employment for the Police Chief.
- 1.2 As used in this Summary, the term "Member" refers to the City employee filling the position of Police Chief.

SECTION 2. TERM

The salaries, benefits and terms of employment set forth herein are effective as of October 21, 2025, and will remain in effect for the Police Chief until such time City Council adopts a subsequent Resolution amending salaries, benefits and terms of employment.

SECTION 3. COMPENSATION

- 3.1 The City will increase the salary of the Police Chief as identified in Section 1.2, in the percentage amounts identified below, and effective with the pay period beginning on each of the following dates:
 - 1/04/25 = 4%
 - 1/01/26 = 2%
 - 7/01/26 = 2%
- 3.2 Employment transactions which effect pay or retirement contributions (such as merit increases, promotions, transfers, reclassifications, starting and ending specialty pays, and acting assignments) shall be effective the beginning of the pay period in which the transaction occurs.

SECTION 4. AUTO ALLOWANCE

- 4.1 The Police Chief may choose to opt for a monthly auto allowance in the amount of four hundred dollars (\$400.00), or may choose to have an assigned take-home vehicle.
- 4.2 As a condition of receiving an auto allowance, the Police Chief will be responsible for maintenance and insurance of his or her vehicle. The Police Chief may submit requests for reimbursement for additional travel expenses in accordance with the City Travel Policy.

SECTION 5. UNIFORM AND CLOTHING ALLOWANCE –POLICE CHIEF

- 5.1 The City will pay the Police Chief one thousand dollars (\$1,000) per year for uniform allowance, to be paid equally over 26 pay periods.
- 5.2 It is understood that the amount paid here under constitutes a reimbursement to the member for expenses actually and necessarily incurred in the purchase, maintenance, and cleaning of the uniforms such members are required to wear.

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5.3 The City will provide an annual allowance of \$50 for the purchase of clothing items with City logo, to be purchased through City approved vendors and process. These items are to be used for the purpose of representing the City in a professional capacity at official events, or in the workplace. Any items purchased above the \$50 cost may be purchased at the employee's expense.

SECTION 6. HEALTH AND WELFARE

6.1 The City agrees to offer the PERS health benefits program. The City also agrees to pay the statutory Public Employees Medical and Hospital Care Act (PEMHCA) minimum (determined annually by CalPERS) per month towards the cost of health insurance available through PERS for each active member and an amount for each retiree. The member agrees that they are liable for the difference between the total cost of the health plan they choose, and the statutory PEMHCA minimum.

6.2 The City will make a non-elective employer contribution to the IRC section 125 cafeteria plan in an amount which is inclusive of the PEMHCA minimum, and equals the greater of eighty-five percent (85%) of the City contracted Kaiser HMO rate, or the following amounts:

Minimum City contribution to section 125 cafeteria plan:	
Employee only	\$ 675.00
Employee plus one	\$1,350.00
Family	\$1,795.00

6.3 The City will contribute the following monthly amounts for dental benefits:

Employee only	\$ 53.00
Employee plus one	\$ 90.00
Family	\$138.00

In the event that the dental premium exceeds the foregoing amounts, each affected Member will contribute through payroll deduction the amount of the excess.

6.4 The City will pay the full premium for life insurance with a policy value of \$100,000 during active employment of each Member.

6.5 Upon retirement of each Member, the City shall not continue to pay the premium for the insurance policies described in Section 6.3. However, within thirty-one (31) days after retirement, a Member may convert all or any portion of said insurance policy to an individual policy at the then existing individual premium rate, at their expense.

6.6 Each Member shall have the option to purchase, solely at the Member's expense, additional life insurance through the City's insurance broker, up to the maximum allowed by the carrier.

6.7 Any Member may choose to not receive the medical benefits described in Section 6.1 of this Summary, and the City will pay the Member five hundred dollars (\$500) per month in-lieu of the medical, only if the Member provides proof of medical coverage (comparable to that provided by the

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City) through a spouse, registered domestic partner or parent. Any such request must be submitted by the Member in writing using a form provided by the City's Human Resources Department. Re-enrollment in a plan provided by the City other than during the annual open enrollment period will be permitted only in the event of a significant personal event (i.e., death of a spouse, divorce, loss of spousal coverage, etc.), and will be subject to the requirements of the health plan provider.

- 6.8 The City will continue allowing payment of certain dependent and health care expenses on a pre-tax basis under the provisions of IRS Code Sec. 125 and 129. The City will pay the administrative fees associated with the Flexible Spending Account (FSA).

SECTION 7. TUITION REIMBURSEMENT

Each Member shall be eligible for tuition reimbursement as provided in Policy Resolution 26. In addition to what is provided for in Policy Resolution 26, members are allowed to use tuition reimbursement for other professional development expenses related to their current role or future career growth within the City. For professional development expenses outside of Policy Resolution 26, City Manager and Human Resources approval is required. The maximum reimbursement that may be received by each Member in one fiscal year shall be \$2,500.

SECTION 8. RETIREMENT

During the term of this Memorandum, the City shall provide the following benefits through the Public Employment Retirement System (PERS):

- 8.1 Each Member shall be entitled to convert unused accumulated sick leave to service credit as provided under PERS Section 20965.
- 8.2 Non-job related disability benefits providing for thirty percent (30%) of final compensation upon five (5) years of service with an improvement of one percent (1%) for each additional year to a maximum of fifty percent (50%), as provided for under Government Code Section 21427.
- 8.3 Each Member with military service is entitled to a military service credit up to a maximum of four (4) years of service granted under this section. The entire cost (both employer and employee contributions) is the Member's responsibility because the Member's buy-back contribution is credited in its entirety to the Member's account. This may be paid back on either a pre-tax or post-tax basis, at the Member's discretion, per the City's current contract with PERS (amended in 1996 to include this provision).
- 8.4 The City shall deduct the entire Member's contribution required by PERS on a pre-tax basis pursuant to IRC Section 414(h)(2).
- 8.5 The City shall provide the fourth level of the 1959 Survivors Benefit to the Police Chief, pursuant to Government Code Section 21574.

- 8.6 The following provisions define the agreement between the City and Police Chief under which the

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Police Chief will pay a portion of the City's contribution towards PERS retirement benefits ("Employer Contribution"). The Employer Contribution is established annually by PERS and communicated to the City in the Fall of the fiscal year prior to the effective date.

- a. In addition to the Employee Paid City Contribution described in paragraph (a), Safety Members shall pay an additional 3% of the Employer Contribution regardless of the City's rate, making the maximum Employee Paid City Contribution 5.5%.
 - b. The Employee Paid City Contribution described in this section shall be a payroll deduction made on a pre-tax basis to the extent provided by law. In the event that the City is precluded from collecting the additional contribution or is unable to make the deduction on a pre-tax basis, the City will notify Members of the options available to cure the defect. During that time, the City shall instead reduce its contribution to health and dental insurance under sections 5.1 and 5.2 by an amount equal to the percentages identified in section 7.10 (a) and section 7.10 (b) or (c) as the Member's payment of the Employer Contribution, multiplied by the Member's PERSable compensation, with any excess deducted from the Member's paycheck.
 - c. The parties agree that the City will modify its contract with PERS to reflect the member Payment of the Employer Contribution pursuant to Section 7.10(a), (b), and (c), which will result in Member Paid Employer Contribution being deposited into the Member's account. This will reduce the Employer Contribution by a percentage equivalent to the Member Paid Employer Contribution.
 - d. Pursuant to Government Code Section 20516, the Police Chief will contribute the Member Paid Employer Contribution of an additional 5.5% (Safety members) towards the employer rate effective with the pay period closest to the date CalPERS amends the contract.
- 8.7 For an eligible Police Safety Member hired on or before January 7, 2012, the City's contract with PERS provides for the "three percent (3%) at age 50" retirement plan as specified in Government Code Section 21362.2. This retirement plan includes the single highest year retirement benefit as provided by Section 20042 of the Government Code.
- 8.8 For an eligible Police Safety Member hired after January 7, 2012 and who meets the definition of "classic member", the City will contract with PERS to provide the "three percent (3%) at age 55" retirement plan as specified in Government Code Section 21363.1, with a three-year average on final compensation as provided by Government Code Section 20037.
- 8.9 For a Police Safety Member who meets the definition of "new employee", as defined by the Public Employees' Retirement System (PERS), hired on or after January 1, 2013, retirement benefits shall be those established by the Public Employees' Retirement System (PERS) for Local Safety Members 2.7% at age 57 formula, with a three-year average on final compensation as provided by Government Code Section 20037. The Member's contribution towards this benefit shall be 50% of the normal cost, as defined in the CalPERS annual valuation.
- 8.10 Pursuant to Government Code section 20516, the current and future Police Chief shall pay the

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additional cost share amounts as shown in the table below based on the employee's retirement tier:

Effective January 1, 2026

Retirement Tier	PERS Plan	Pre-Tax Required Employee Contribution	Pre-Tax Cost Share	Total Cost Share
1	3.0% @ 50	9%	5.0%	14.00%
2	3.0% @ 55	9%	3.5%	12.50%
3	2.7% @ 57	11.25%	2.0%	13.25%

Effective January 1, 2027

Retirement Tier	PERS Plan	Pre-Tax Required Employee Contribution	Pre-Tax Cost Share	Total Cost Share
1	3.0% @ 50	9%	4.5%	13.50%
2	3.0% @ 55	9%	3.0%	12.00%
3	2.7% @ 57	11.25%	1%	12.25%

Effective January 1, 2028

Retirement Tier	PERS Plan	Pre-Tax Required Employee Contribution	Pre-Tax Cost Share	Total Cost Share
1	3.0% @ 50	9%	3.5%	12.50%
2	3.0% @ 55	9%	2.0%	11.00%
3	2.7% @ 57	11.25%	0%	11.25%

SECTION 9. RETIREE MEDICAL INSURANCE

9.1 Police Chief retirees who opt for coverage under the CalPERS Plans are responsible for the difference between the total cost of the health plan they choose, and the statutory PEMHCA minimum contribution. The PEMHCA minimum amount changes each year. For 2025, the amount is \$158 per month.

9.2 The City will provide health insurance reimbursements to each retired Member, provided that the Member has worked for the City a minimum of ten (10) years and taken a service or disability retirement from the City and actually draw a PERS pension within ninety (90) days of separation from the City.

(1) A retired Member (which may be referred to herein as "retiree") who meets the conditions

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described above will receive a supplemental payment by the City toward the Member's retiree medical coverage of the difference between PEMHCA minimum and \$347 per month. This payment shall remain in effect for the life of the retiree only. The payment shall cease upon death of the retiree, re-employment of the retiree in a capacity where they again are earning a PERS retirement benefit, or in the event the retiree fails to meet the other applicable conditions specified in this section. However, the retiree may elect to use this supplemental payment for another health plan provided they submit documentation that provides proof of paid health insurance coverage to the City of Napa Human Resources Department (annually) to verify that payments are being used to supplement the retiree's health care premiums. It will be the retiree's responsibility to maintain current addresses on record with the City of Napa. If checks are returned from the last designated address without correction from the retiree for more than two months, this shall result in cancellation of the supplemental payment. Appeals for reinstatement and/or back payments shall be made to the Finance Department with a final appeal to the City Manager.

SECTION 10. MANAGEMENT LEAVE

10.1 Each Member shall receive fifteen (15) days (which equals 120 hours) per year. Management Leave will be granted and available for use in the first full pay period of the calendar year. Provided, however, each person who is hired or promoted into a Police Chief position after January 1 shall receive an amount of management leave that is prorated based on the date hired or promoted; and, the prorated management leave shall be made available the first of the month following the date of hire or promotion.

- a. Management leave must be used within the year granted, or it shall be forfeited.
- b. Management Leave may be used by taking paid time off, or by receiving a cash payment in lieu of time off. Provided, however, for any cash payment in lieu of time off, the amount per year shall not exceed the number of hours equal to 50% of the member's annual management leave, multiplied by the member's hourly base salary. Management leave must be cashed out by the last paycheck of December

10.2 The City Manager is authorized to allocate up to two (2) days (which equals 16 hours) per year of additional management leave to each Member, if the Member has worked above and beyond what would be considered normal work requirements during an emergency event. The additional management leave must be used within the year granted, or it shall be forfeited. The additional management leave may be used by taking paid time off, or by receiving a cash payment in lieu of time off.

SECTION 11. VACATION

Vacation shall be accrued as follows:

<u>Years of</u>	<u>Accrual Hours/Year</u>
<u>Service</u>	

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0-4	120.00
5-9	138
10-12	155
13-16	172
17-19	189
20+	206

Effective the payroll period containing January 1, 2025, and on a go forward basis, full-time service in a City, County, State, Federal Agency, or Special District will be counted for purposes of determining years of service for vacation accrual tiers under Section 11 for all employees. In order to receive credit for these service years, members must complete a request with Human Resources, and provide documentation to substantiate prior employment years or service.

- 11.1 The City Manager may authorize up to ten (10) days of vacation for each new Member, upon hiring.
- 11.2 Vacation Accrual Cap
- a. The maximum annual carry-over of accrued vacation will be three hundred and twenty (320) hours (as of the last day of the pay period containing December 31 of each year.
 - i. Members may accrue more than three hundred and twenty (320) hours of vacation during the calendar year, but vacation hours in excess of 320 (“excess hours”) are not vested and may not be carried over into subsequent years.
 - ii. During the month of December, members will have the opportunity to donate any excess hours to the City’s catastrophic leave bank.
 - iii. Except as provided, if the Police Chief has excess hours as of the last day of the pay period containing December 31, then they will have their accruals adjusted to 320 hours.
 - b. The City Manager may approve an additional forty (40) hours of carryover accrued vacation hours for special purposes.
- 11.3 Each Member may cash out up to eighty (80) hours vacation leave each calendar year.
- 11.4 For the term of this MOU, the Police Chief may cash out vacation under the following circumstances:
- a. During the month of December of each year, each member must make an irrevocable election to cash out vacation in the following calendar year. Failure to submit an irrevocable election form shall be the same as electing not to cash out vacation leave.
 - b. Employees facing an unforeseen emergency may apply for an exception to the irrevocable election consistent with Internal Revenue Service, Treasury §1.457-6(c)(2)(i), §1.457-6(c)(2)(ii), and §1.457-6(c)(2)(iii).
 - c. Cash outs must be made by the last paycheck in December of the following year. Cash outs must be for vacation accrued during the calendar year in which they are being cashed out (i.e. you must have earned 40 hours in the calendar year before you are eligible to cash out 40 hours). Vacation balance after cash out cannot be negative.

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SECTION 12. SICK LEAVE

- 12.1 Each Member shall accrue twelve (12) days of sick leave benefit per year. However, the City Manager may authorize each new Member to receive up to four (4) days of sick leave credit upon hiring.
- 12.2 Once a year, during the month of December, each Member may convert from the twelve (12) days sick leave accrual to: four (4) days sick leave and four (4) days vacation leave accrual, or no (0) days sick leave and six (6) days vacation leave accrual. Sick leave days converted to vacation leave under this section, may be used for sick leave purposes. Existing credits continue.
- 12.3 Once a year, during the month of December, each Member may convert existing sick leave balances to vacation days (with an effective conversion date at the end of the pay period which contains January 1) by providing written notice to the Finance Department, as follows:
- (1) A maximum of fifteen (15) sick leave days may be converted to vacation days, at a ratio of three (3) sick leave days to one (1) vacation day; and
 - (2) A maximum of twenty (20) sick leave days may be converted to vacation days, at a ratio of four (4) sick leave days to one (1) vacation day.

SECTION 13. BEREAVEMENT LEAVE

In the event of a death in the immediate family of a Member, the Member shall, upon request, be granted such time off with pay for purposes of bereavement related to the loss of their family member, not to exceed five (5) regularly scheduled work days per occurrence, within six (6) months of the death of the family member. Such bereavement leave shall not be deducted from any accrued leaves including vacation, management leave, and/or sick leave. The member may use five (5) days of sick leave in addition to bereavement leave, consistent with the time limitations for sick leave in the event of the death of an immediate family member.

For the purpose of this provision, the immediate family shall be restricted to father, mother, brother, sister, spouse, registered domestic partner, child, parent of employee's child, mother-in-law, father-in-law, brother-in-law, sister-in-law, grandparent, grandchild, stepparent, stepchild, and other relatives where the employee has served "in loco parentis". A member can take bereavement leave following their own reproductive loss event or that of another person – such as a spouse or partner – if the member would have been the parent of the child born or adopted. Upon reasonable belief that a member is using bereavement leave in a manner inconsistent with this section, the City shall have the right to request reasonable evidence to substantiate use of bereavement leave.

SECTION 14. DEFERRED COMPENSATION

- 14.1 A 457 Deferred Compensation Plan is available to the Police Chief. The City of Napa will also make available a 401(a) Plan for the Police Chief.

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14.2 The City shall contribute three hundred twenty-two dollars (\$322.00) per month for each Member to a City-provided 401(a) Plan of the Member's choice. Each Member shall contribute three hundred dollars (\$300) per month to the 401(a) Plan. Contributions to a 457 Deferred Compensation Plan may be made voluntarily by each Member.

SECTION 15. WORKING HOURS

Daily working hours for Members shall be flexible, provided each Member works sufficient hours to complete their work to the satisfaction of the City Manager. Attendance will normally be required during at least six (6) core hours, which will be determined by the City on an individual basis. The six (6) core hours will be contiguous with the exclusion of a lunch break, which shall not exceed two (2) hours.

SECTION 16. PERFORMANCE BONUS

Upon approval by the City Manager, the Police Chief may be granted a performance bonus of two percent (2%), three percent (3%) or five percent (5%) of annual base salary only for special and outstanding performance in accordance with the City's Administrative Policy entitled "Criteria for Annual Performance Pay System." Such bonus will be paid no more than once per fiscal year for each Member, and it shall be paid in a one-time, lump-sum payment, generally within thirty (30) days of approval, and shall be subject to legal and required tax deductions.

SECTION 17. HOLIDAYS/HOLIDAY PAY

17.1 The following listed holidays shall be recognized, holidays and paid to the Police Chief in the form of "Holiday Pay", in accordance with CalPERS rules:

Martin Luther King's Birthday	Indigenous Peoples Day
Presidents Day	Veterans Day
New Year's Day	Labor Day
Memorial Day	Thanksgiving Day
Juneteenth	Day after Thanksgiving
Independence Day	Floating Holiday in honor of Employee's Birthday
Christmas Eve Day	
Christmas Day	
Cesar Chavez Day	

The Police Chief is expected to work on holidays which fall on their regularly scheduled workdays. The Police Chief will receive holiday pay at the rate of eight (8) hours pay for each of the above 15 designated holidays. Holiday Pay is only reportable for the listed fifteen (15) approved holidays. Said eight (8) hours shall be paid on the paycheck covering the period in which the holiday occurs. The calculation for Holiday Pay is based on base pay. The Police Chief shall receive holiday pay at the same rate of pay as if they were working.

In order to receive Holiday Pay, an employee must be in a paid status before and after the holiday. Except in the case where the holiday falls on the last day of work for a retiring employee, in which case the employee will be entitled to holiday pay.

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SECTION 18. WORKERS' COMPENSATION SUPPLEMENT

The City shall provide Workers' Compensation supplement, so that each Member shall receive up to sixty (60) calendar days at full salary and benefits from a job-related injury.

SECTION 19. EMPLOYEE RIGHTS

Nothing in this Summary shall be construed to deny a Member all applicable rights afforded by law.

SECTION 20. LONG TERM DISABILITY

Members are responsible to enroll in and pay the cost for the long-term disability insurance program. The LTD plan will have a maximum 60 day waiting period and the coverage amount of sixty percent (60%) of earnings will include those offsets required by law such as, but not limited to, SDI, retirement, reduced work schedule, worker's compensation, social security, and Railroad retirement. The maximum monthly benefit is \$10,000.

SECTION 21. ADA

The Police Chief recognizes that the City has an obligation under the Americans with Disabilities Act (ADA) to meet with individual employees who allege a need for reasonable accommodation in the work-place because of a disability.