CITY OF DIXON

COMPENSATION PLAN FOR CONFIDENTIAL SENIOR MANAGEMENT CLASSIFICATIONS

JULY 1, 2025

THROUGH

JUNE 30, 2028

Adopted by Resolution No. 25-169
October 21, 2025

COMPENSATION PLAN FOR
CONFIDENTIAL SENIOR MANAGEMENT

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ARTICLE 1
GENERAL

1.1 Term of Plan

This Compensation Plan ("Plan") shall be effective through June 30, 2025 or until the City Council acts to approve a new or amended plan. It is the intent of the City of Dixon ("City") to consider a new or amended plan in accordance with any future modifications to the Confidential Senior Management Compensation Plan.

1.2 At-Will Employment Status

Unit Classification employees, as defined in section 1.3 of this Plan, serve in "at will" positions, meaning they serve at the will of the City Manager. Unlike represented employees, the tenure of a Senior Manager is far less secure. These Unit Classifications can be terminated with or without notice and with or without cause.

1.3 Applicability

This Plan applies to Unit Classification employees (collectively, "Unit Classifications") of the City, who are employed in job classifications listed below and which are not represented by any recognized bargaining unit.

Assistant City Manager
City Engineer/Director of Utilities
Community Development Director
Finance Director
Fire Chief
Human Resources Director
Police Chief
Public Works Director

1.4 Employment Contracts

If any provision in this Plan conflicts with any of the Unit Classifications' individual employment contracts, the individual employment contract supersedes the Plan.

ARTICLE 2
COMPENSATION

2.1 Salary

As negotiated in employment contract. A Unit Classifications' "Base Salary" shall be defined in each individual employment contract.

2.2 Severance Payment

As negotiated in employment contract.

2.3 Mileage Reimbursement

Mileage reimbursement, at the rate established by the Federal Government, IRS, will be paid to Unit Classifications. Mileage reimbursement will be subject to approval of the City Manager.

2.4 Educational Reimbursement Program

Employees who have completed one year of service are eligible to participate in the Educational Reimbursement Program as described in the City of Dixon Administrative Policy and Procedure, Education Reimbursement Program.

2.5 Bilingual Pay

2.5.1 Employees who apply for bilingual pay, and who are certified by the City as possessing appropriate Spanish language skills, shall receive a differential of one hundred fifty dollars ($150.00) per month.

2.5.2 Recertification of bilingual skills may be required every three (3) years. Recertification shall be at the City's discretion and expense.

2.6 Longevity Incentive

To encourage and reward employee longevity, the City will provide the following longevity incentives upon the first pay period following employees' anniversary date:

- Completion of five (5) years of service to the City of Dixon: five (5%) of base pay.
- Completion of ten (10) years of service to the City of Dixon: four (4%) of base pay.
- Completion of fifteen (15) years of service to the City of Dixon: three (3%) of base pay.

The incentives are cumulative, not compounded, and cannot exceed 12%.

2.7 Deferred Compensation

Employees regularly scheduled to work twenty (20) or more hours per week may participate in the Deferred Compensation Plans offered by the City by directing a portion of their salary on a tax-deferred basis to the plan through a payroll deduction. Current federal regulations concerning maximum annual contributions apply. See current plan for details.

To promote retention, and to reward longevity, the City shall provide a deferred compensation incentive for eligible Unit Classifications. Unit Classifications who have completed sixty (60) consecutive months of service to the City of Dixon shall receive a City contribution for deposit into a deferred retirement account. The City contribution shall be one percent (1%) of Base Salary each month after the sixtieth (60th) month, unless otherwise negotiated in the employment contract.

2.8 Uniform Allowance

2.8.1 Police Chief

a. The Police Chief shall receive a uniform allowance. The uniform allowance shall be One Thousand Two Hundred Dollars ($1,200) per year.

b. Employee may elect to receive his uniform allowance on a bi-weekly basis (subject to tax deductions), or have his/her uniform allowance paid directly to the City's uniform vendor in order to purchase uniforms on a pre-tax basis. Employee shall make this election prior to June 30 of each year, to take effect July 1. If Employee elects to direct his/her uniform allowance directly to the City's uniform vendor, any allowances not spent directly with the vendor during the City's fiscal year will be forfeited. If Employee separates employment from the City and is no longer required to wear a Dixon Police Department uniform, he/she shall automatically forfeit any remaining allowances.

2.8.2 Fire Chief

a) The Fire Chief shall receive a uniform allowance. The uniform allowance shall be One Thousand One Hundred Fifty Dollars ($1150) per year. The uniform allowance will be paid on a bi-weekly basis.

2.9 For employees that are Classic Members (as defined by PEPRA), CalPERS considers the uniform allowance to be a form of compensation. Therefore, the uniform amount will be reported to CalPERS on an annual basis in the same pay period received as part of the employee’s annual gross income. For employees considered to be New Members (as defined by PEPRA), the uniform allowance amount will not be reported to CalPERS as special compensation in accordance with PEPRA.

Any extraordinary costs necessitated by a City ordered changed in the basic uniform required to be worn by the Police Chief and Fire Chief shall be borne by the City.

2.10 Police and Fire: Physical Fitness Program

2.10.1 Police Chief

The Police Chief is eligible to receive Physical Fitness Incentive benefits as follows:

- One Hundred Twenty dollars ($120.00) per month for achieving the “gold” rating.
- Ninety-Five Dollars ($95.00) per month for achieving the “silver” rating.
- Seventy Dollars ($70.00) per month for achieving the “bronze” rating.

Receipt of benefits shall be subject to an in conformance with all rules and regulations governing said program.

2.10.2 Fire Chief

The Fire Chief shall be eligible to participate in, and receive benefits of, the Fire Physical Fitness Program. Compensation for Employee’s participation in the Fire Physical Fitness Program is as follows:

One Hundred Fifty Dollars ($150.00) per month for employees achieving a “passing” rating.

Receipt of benefits shall be subject to and in conformance with all rules and regulations governing said program.

2.11 Police Professionalization Program

In accordance with the existing Police Professionalization Program, the Chief of Police shall be entitled to receive one of the following:

EITHER an additional two and one half percent (2.5%) of Base Salary for either:

(a) The possession of a POST Intermediate Certificate; or
(b) The completion of sixty (60) college semester units.

OR an additional five percent (5%) of Base Salary for either:

(a) The possession of a POST advance Certificate; or
(b) The completion of one hundred twenty (120) college semester units.

ARTICLE 3
BENEFITS

3.1 Retirement

3.1.1 The City will continue its participation in the State of California Public Employees' Retirement System ("PERS") as follows:

Miscellaneous employees:

- Tier One – Applicable to employees who are not defined as "New Members" in Government Code Section 7522.04 and were hired to the City of Dixon before December 16, 2012 are eligible for a 2.5% @ 55 benefit formula, with single highest year average compensation.

- Tier Two – Applicable to employees who are not defined as "New Members" in Government Code Section 7522.04 and were hired to the City of Dixon on/after December 16, 2012 are eligible for a 2% @ 60 benefit formula, with a three year average compensation formula.

- Tier Three – Applicable to employees who are defined as "New Members" in Government Code Section 7522.04 and were hired on/after January 1, 2013 are eligible for the 2% @ 62 benefit formula, with a three year average compensation formula.

Public Safety-Fire employee(s):

- Tier One – Applicable to employees who are not defined as "New Members" in Government Code Section 7522.04 and were hired to the City of Dixon before August 12, 2012 are eligible for a 3% @ 50 benefit formula, with a three year average compensation.

- Tier Two – Applicable to employees who are not defined as "New Members" in Government Code Section 7522.04 and were hired to the City of Dixon on/after August 12, 2012 are eligible for a 3% @ 55 benefit formula, with a three year average compensation formula.

- Tier Three – Applicable to employees who are defined as "New Members" in Government Code Section 7522.04 and were hired on/after January 1, 2013 are eligible for the 2.7% @ 57 benefit formula, with a three year average compensation formula.

Public Safety Police employee(s):

- Tier One – Applicable to employees who are not defined as “New Members” in Government Code Section 7522.04 and were hired to the City of Dixon before November 20, 2011 are eligible for a 3% @ 50 benefit formula, with a three year average compensation.

- Tier Two – Applicable to employees who are not defined as “New Members” in Government Code Section 7522.04 and were hired to the City of Dixon on/after November 20, 2011 are eligible for a 3% @ 55 benefit formula, with a three year average compensation formula.

- Tier Three – Applicable to employees who are defined as “New Members” in Government Code Section 7522.04 and were hired on/after January 1, 2013 are eligible for the 2.7% @ 57 benefit formula, with a three year average compensation formula.

3.1.2 Employee PERS Contributions

Unit Classification employees’ contribution rate for the retirement plans are as follows:

	Employee Share	Employee Paid Portion of Employer Share
Miscellaneous (Tier 1)	8%	0%
Miscellaneous (Tier 2)	7%	0%
Public Safety (Tiers 1 & 2)	9%	4% (Total Employee contribution: 13%)

	Employee Share
Miscellaneous & Public Safety (Tier 3)	50% of total normal cost, as determined annually by PERS

3.2 Health Benefits

3.2.1 Monthly Benefit Allowance:

Effective the first pay period in July of 2025 and ending at the beginning of the 2026 Plan Year:

Employee only	$900.00 or 70% of Kaiser (Region 1) Employee Only rate, whichever is greater
Employee + 1	70% of the Kaiser (Region 1) Employee + one dependent rate
Employee + 2 or more	70% of the Kaiser (Region 1) Employee + two or more (dependent rate)

Effective the beginning of the 2026 Plan Year:

<u>Tier 1</u>: Employees with current Employment Agreements hired on or before June 30, 2025

Employee Only	$900.00
Employee + one (1)	$1558.00
Employee + two or more (family)	$2025.00

Notwithstanding the provisions outlined above, in the event of any conflict or inconsistency between this Compensation Plan and the terms of an individual employee's Employment Agreement, the Employment Agreement shall govern and take precedence.

Employees shall receive MBA as described below:

If employee has eligible dependent(s) but only enrolls in the individual health plan, that employee is eligible to receive the Employee + 1 or Employee + 2 or more dependents MBA tier amounts based upon the number of dependents. If there is a remaining credit this may be utilized for other benefits or as taxable income. The employee will need to provide proof that the dependents are covered under another "Group" health plan that meets the Affordable Care Act's definition of minimum essential coverage (as described section 3.2.4). Employee will be required annually to update dependent status and provide proof of other coverage (as described in section 3.2.6).

3.2.2 Employer Medical Premium Contribution:

Tier 2: Employees hired on or after July 1, 2025

The City shall contribute an amount equal to eighty-five percent (85%) of the premium for the Kaiser (Region 1) health plan based upon each employee's enrollment for each month in which the employee is eligible for health benefits. The employee shall pay the balance of the premium, if any, for their health insurance benefit.

3.2.3 Employees in Tier 1 may opt into Tier 2 during open enrollment or upon any qualifying event. Employees may not opt into Tier 1 under any circumstances, including but not limited to after having opted into Tier 2 from Tier 1. Employees in Tier 1 who waive health insurance benefits pursuant to Section 5.1.4 will be allocated to Tier 2 if they end their waive status. Tier 1 sunsets on December 31, 2027. On that date, all remaining Tier 1 employees will convert to Tier 2.

3.2.4 Part-Time Employees: (working 20 hours/week or more) are pro-rated.

3.2.5 Waiver of Health Benefits:

If no medical plan is chosen the unit member receives six hundred dollars ($600.00) per month of the MBA as taxable income if the employee complies with the following Affordable Care Act (ACA) requirements. Permanent part-time unit members receive a pro-rated share of the six hundred dollars ($600.00) per month of the MBA based on the number of hours regularly worked as taxable income.

Effective January, 2028, If no medical plan is chosen the unit member receives Seven Hundred Dollars ($700.00) per month as taxable income.

3.2.6 Affordable Care Act Compliance

The City will provide an employer contribution toward health plan premiums in accordance with the requirements of the Affordable Care Act (ACA). The eligible opt-out arrangement conditions that must be satisfied in order for an employee to receive compensation for opting out of the City's health care coverage are as follows:

a. The employee and the employee's Tax Family must have (or will have) minimum essential coverage through another source (other than coverage in the individual market, whether or not obtained through Covered California);

b. A Tax Family means all individuals for whom the employee reasonably expects to claim a personal exemption deduction for the taxable year(s) that cover the employee's plan year for which the eligible opt-out arrangement applies;

c. The employee must provide reasonable evidence of the alternative minimum essential coverage for the employee and their Tax Family for the applicable period. Reasonable evidence may include an attestation by the employee;

d. The employee must provide the evidence/attestation every plan year;

e. The employee must provide the evidence/attestation no earlier than a reasonable time before coverage starts (e.g. open enrollment). The evidence/attestation may also be provided within a reasonable time after the plan year starts; and

f. The compensation for opting out cannot be made if the City knows or has reason to know that the employee or a member of the employee's tax family does not have alternative minimum essential coverage.

Failure to comply with these requirements will result in mandatory enrollment in the City's group health plan for the Unit Member and their eligible dependents.

3.2.7 Dental and Vision

Effective the first pay period in July of 2025 and ending at the beginning of the 2026 Plan Year:

The City pays for the Delta Care HMO and Vision Service Plan Employee Only premiums.

Effective the beginning of the 2026 Plan Year:

The City will contribute an amount sufficient to cover one hundred percent (100%) of the cost of Dental PPO and Vision premiums for the selected plan level (Employee Only, Employee + Spouse, Employee + Child(ren), Employee + Family).

3.2.8 Dependent Status Change/Verification

If an employee's dependent status changes, the employee is responsible for notifying Human Resources in writing within thirty (30) days of the effective date of the change to ensure that the City's contribution rate is properly adjusted if necessary. The employee's new rate will take effect on the first of the month following the prior's month's notification. Under no conditions will a rate change be made retroactive to this date. Failure to notify Human Resources of such a change within thirty (30) days could result in the employee being held financially responsible for any benefit overpayment. The employee will be required to reimburse the City via payroll deduction for any such benefit overpayment.

On an annual basis, the City will require the employee to verify his or her dependent status in writing to ensure that the City is contributing the appropriate amount toward health and dental insurance premiums, and MBA options. The City will use the CalPERS definition of the term "dependent." The City reserves the right to conduct random checks of dependent status.

3.2.9 CalPERS Medical: Unequal Contribution Method

(a) From the appropriate MBA amount set forth above, the City will contribute under the PERS Medical Unequal Contribution Method for each employee, the amount necessary to pay the costs of his or her enrollment, including the enrollment of family members in the CalPERS health benefits plan.

(b) The City will contribute under the PERS Medical Unequal Contribution Method for each annuitant the amount necessary to pay for the costs of his or her enrollment, including the enrollment of family members in the CalPERS health benefits plan.

(c) The City shall pay the current CalPERS monthly administrative fees.

3.2.10 IRC Section 125 Plan (Cafeteria Plan)

(a) The City will maintain an IRC Section 125 Plan (Cafeteria Plan) for the benefit of Unit Classifications.

(b) After making the required contribution for medical insurance under the PERS Medical Unequal Contribution Method, the remaining dollars may be used by the employee either to purchase medical insurance through CalPERS Health or to purchase any other optional plans that may be offered by the City in accordance with a qualified plan.

(c) Plans currently offered include: Dental, Voluntary Vision, , Voluntary Group Life Insurance, and Supplemental Insurance Options.

(d) The choice of insurance plan(s) is made once a year by Unit Classifications during the open enrollment period, at time of hire for new employees, or when employee's dependent status changes. Insurance premiums will be deducted from gross pay each payroll period throughout the plan year as pre-tax contributions.

3.2.11 Flexible Spending Account ("FSA") – Unreimbursed Medical/Dependent Care

FSA participation begins January 1st of each year. Allocation amounts or modifications to these accounts must be determined for a full twelve (12) month period (i.e., the calendar year) during the open enrollment period, at time of hire for new employees, or when an employee's dependent status changes. Services must be received during the plan period, which is January 1 through December 31. Employees may carry over a minimum of fifty dollars ($50) up to the maximum IRS health FSA carryover into the next plan year. Any unused funds over the maximum IRS health FSA carryover will be forfeited (for plan details, contact Human Resources). The City will pay administration costs associated with the Flexible Spending Account plan(s).

3.2.12 Medical after Retirement

(a) Unit Classification employees who retire from the City during the term of this compensation plan shall receive the following City paid medical benefits after retirement:

- The dollar equivalent of one (1) month's premium for the PERS Kaiser Plan (Region rate in which you reside) for the employee plus one dependent at the rate of one (1) month's premium for each full year worked in the employ of the City prior to retirement.

- The total time period of these payments shall not exceed twenty-four (24) months.

(b) Thereafter, for CalPERS retirees enrolled in CalPERS Retiree Medical, the City shall contribute under the PERS Medical Unequal Contribution Method, as required by CalPERS for each annuitant the amount necessary to pay for the costs of his or her enrollment, including the enrollment of family members in the CalPERS health benefits plan.

(c) Said payment shall be extended to the surviving spouse or dependent of a deceased retiree, to the extent that said payments would have been made had the employee not died.

3.2.13 Long-Term Disability

The City shall provide for a long-term disability plan for Unit Classifications who are regularly scheduled to work at least twenty (20) hours per week. Benefits are payable after sixty (60) days of employment at the rate of two-thirds (2/3) of Base Salary up to the maximum as designated in the plan agreement. The monthly premium is paid by the City.

3.2.14 Term Life Insurance

The City shall provide a fifty thousand dollars ($50,000) term life insurance policy for each Unit Classification during their term of employment.

ARTICLE 4
LEAVES

4.1 Sick Leave

4.1.1 General

The purpose of sick leave is to provide income protection if a Unit Classification employee must be absent from work due to his or her injury or illness or due to the illness or injury of a family member. A family member includes child, parent (including parent-in-law), spouse, registered domestic partner, grandparent, grandchild, or sibling. Sick leave may be used only in the case of sickness, disability, medical or dental care.

4.1.2 Accrual Rates

(a) Full-time Unit Classifications will accrue sick leave at the rate of eight (8) hours for each full month of service completed. There is no maximum accrual of sick leave credits.

(b) Part-time Unit Classifications accrue sick leave on a pro-rated basis depending on the number of hours they are regularly scheduled to work.

4.1.3 Payment upon Termination

(a) For Unit Classifications that have completed at least two (2) years of service to the City, a portion of his or her accrued unused sick leave may be converted to cash upon separation from the City or retirement according to the following schedule:

Years of Service	**Conversion Percentage**
1 – 2	0%
3 – 5	20%
6 – 10	30%
11 +	30% + 2% for each year after ten (10) to a maximum of 50%

(b) For retiring Unit Classifications, any portion of the sick leave balance that is not cashed out is placed into the PERS sick leave conversion program.

4.1.4 Family Illness

(a) In catastrophic circumstances, with medical verification and City Manager approval, additional family sick leave may be used.

(b) The City shall provide all rights and benefits to Unit Classifications that are required by the Family Medical Leave Act ("FMLA"), the California Family Rights Act ("CFRA"), and any other Federal or State laws governing employee leave rights.

4.1.5 Sick Leave Bank

The City will provide Sick Leave Bank utilization consistent with the City's Emergency Leave Bank Policy.

4.2 Vacation

4.2.1 Accrual Rates

(a) Full-time Unit Classifications shall earn monthly vacation:

Upon initial hire	12 days/year (96 hours)*
Upon completion of five (5)years of service	18 days/year (144 hours)
Upon completion of ten (10) years of service	20 days/year (160 hours)
Upon completion of fifteen (15) years of service	25 days/year (200 hours)

(b) Part-time Unit Classifications shall earn vacation on a pro-rated basis depending on the number of hours they are regularly scheduled to work.

* Unless otherwise negotiated in the employment contract at a higher accrual level.

4.2.2 No Unit Classification employee shall have credited to his or her account, at any time, more than four (4) times the current annual vacation accrual. When Unit Classification employees reach their maximum vacation accrual, no further vacation will accrue until the employee's accrual is decreased below the allowed maximum.

4.2.3 Upon separation, Unit Classifications are entitled to receive payment at their current Base Salary for all vacation time earned but not taken as of the effective date of separation.

4.3 Management Leave

4.3.1 FLSA Exempt

All Unit Classifications are exempt from coverage under the Fair Labor Standards Act ("FLSA"). As such, they do not receive overtime compensation for hours worked over forty (40) per week.

4.3.2 Full-Time

In recognition of the extra hours required, each full time Unit Classification employee shall earn one hundred twenty (120) hours of management leave per year. This leave shall be used in the same manner as vacation.

(a) Upon the Unit Classification employee's request, management leave can be cashed out each year.

- The permissible cash-out shall be fifty-seven (57) hours per year in years one (1) through three (3).

- The cash out rate shall increase by five (5) hours each year commencing with the fourth (4^{th}) year of City employment, to a maximum of one hundred twenty (120) hours.

- Payout may either be taken in cash or directed to a Deferred Compensation Plan subject to annual limits.

(b) Any unused Management Leave balance remaining as of June 30 each year will be forfeited.

4.3.3 Part-Time

(a) Part-time Unit Classification employees shall be paid for any extra hours worked over twenty (20) hours and up to forty (40) hours in a week.

(b) Part-time Unit Classification employee shall receive a pro-rated amount of the Management Leave provided to a full-time Unit Classification employee (one hundred twenty (120) hours per year). Pro-rating shall be based on the number of hours in his or her base assignment as compared to a full-time assignment.

4.3.4 Upon separation, Unit Classifications are entitled to receive payment for any accrued and unused management leave as of the effective date of separation.

4.4 Bereavement Leave

Bereavement Leave shall be in accordance with adopted City policy, which is intended to meet the requirements of employer provided bereavement leave under California Government Code 12945.7 and any other applicable federal, state or local law, as may be amended from time to time.

ARTICLE 5
HOLIDAYS

5.1 Holidays

5.1.1 The City shall observe twelve (12) date holidays as follows:

January 1	New Years Day
3rd Monday in January	Martin Luther King's Birthday
3rd Monday in February	Washington's Birthday
Last Monday in May	Memorial Day
June 19	Juneteenth Day
July 4	Independence Day
1st Monday in Sept.	Labor Day
November 11	Veterans Day
4th Thursday in November	Thanksgiving Day
4th Friday in November	Day after Thanksgiving
December 24	Day before Christmas
December 25	Christmas Day

5.1.2 When a holiday falls on a Sunday, the following Monday is observed. When a holiday falls on a Saturday, the preceding Friday is observed.

5.1.3 Full-time Unit Classifications who have reached the maximum accrual fifty-six (56) hours for holiday compensation shall receive straight time pay for any holidays due the employee while they are at the accrual maximum.

5.2 Floating Holidays

During each Fiscal Year, the City will provide two (2) floating holidays per Unit Classification employee, which may be taken by the employee at a time selected by the employee and subject to operational requirements and approval of the City Manager. Upon separation, Unit Classification employees are entitled to receive payment for any accrued and unused floating holidays as of the effective date of separation.

5.3 Part-Time Accrual Rates

Part-time Unit Classifications shall receive holiday pay on a pro-rated basis depending on the number of hours they are regularly scheduled to work.

ARTICLE 6
OTHER

6.1 Employee Assistance Program

The City shall provide an Employee Assistance Program. For further information, contact the Human Resources Department.

6.2 Personal Equipment Replacement

With prior approval of the City Manager, the City will provide for reimbursement to Unit Classification employees for wristwatches, prescription eyewear, or other similar personal equipment lost or damaged during performance of duty.

6.3 Direct Deposit

The City shall continue to make available to Unit Classification employees a direct deposit system.

6.4 Indemnification

By separate Resolution, No. 02-073, the City Council has adopted reasonable policies to ensure that, consistent with state and federal laws, the City provides for the full defense and indemnification of Unit Classification employees who, as a result of their employment and managerial activities on behalf of the City, become involved in legal or administrative proceedings in state or federal courts or before state or federal administrative tribunals.

6.5 Technology Stipend

Unit Classification employees will receive a monthly stipend to use towards the cost of, and in lieu of, a City provided cell phone for use at work. This stipend will be governed by the City of Dixon Mobile Phone Stipend Policy.