# Town of Portola Valley
# Compensation Plan

Adopted May 23, 2018

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# COMPENSATION PLAN

The purpose of the compensation plan is to outline the compensation package for eligible employees and their eligible dependents. Eligibility is determined by the Town's Personnel Policies unless otherwise defined in the benefit description.

# SECTION 1
AUTHORIZED CLASSIFICATIONS AND SALARIES

## 1.1 Salary Schedule by Permanent Employee Classification

**Town of Portola Valley**
**Salary Schedule**

**FY 2026-27 Salary Schedule:**

| | Annual Range | | | Hourly Range | | |
|---|---|---|---|---|---|---|
| | **Bottom** | **Top** | | **Bottom** | | **Top** |
| **Administration** | | | | | | |
| Town Manager | Set by Contract $250,000 | | | *salary* | | |
| Assistant Town Manager | $195,736 | $252,282 | | *salary* | | |
| Town Clerk | $123,122 | $160,986 | | *salary* | | |
| Administrative Services Manager | $130,491 | $171,813 | | *salary* | | |
| Senior Administrative Analyst | $123,122 | $160,986 | | *salary* | | |
| Administrative Analyst | $106,539 | $132,646 | | $51.22 | | $63.77 |
| Administrative Assistant | $79,377 | $96,210 | | $38.16 | | $46.25 |
| **Finance** | | | | | | |
| Finance Director | $184,862 | $241,408 | | *salary* | | |
| Finance Manager | $135,491 | $191,257 | | *salary* | | |
| Senior Accountant | $118,015 | $137,248 | | *salary* | | |
| Accountant I | $93,144 | $122,093 | | $44.78 | | $58.70 |
| Finance Technician | $59,543 | $104,062 | | $28.63 | | $50.03 |
| **Planning & Building** | | | | | | |
| Planning and Building Director | $184,862 | $241,408 | | *salary* | | |
| Deputy Building Official | $124,458 | $184,641 | | $59.84 | | $88.77 |
| Senior Planner | $125,753 | $177,194 | | $60.46 | | $85.19 |
| Associate Planner | $106,026 | $144,760 | | $50.97 | | $69.60 |
| Assistant Planner | $97,346 | $131,392 | | $46.80 | | $63.17 |
| Senior Development Review Technician / Building Inspector | $101,686 | $139,628 | | $48.89 | | $67.13 |
| Senior Development Review Technician | $90,345 | $114,437 | | $43.44 | | 55.02 |
| Development Review Technician I/II | $58,504 | $102,615 | | $28.13 | | $49.33 |
| **Public Works / Facilities Maintenance** | | | | | | |
| Town Engineer | $190,035 | $215,373 | | *salary* | | |
| Engineering Technician | $90,345 | $114,437 | | 43.43 | | 55.02 |
| Maintenance Worker III | $99,124 | $139,007 | | $47.66 | | $66.83 |
| Maintenance Worker II | $90,682 | $113,513 | | $43.60 | | $54.57 |
| Maintenance Worker I | $71,901 | $102,064 | | $34.57 | | $49.07 |
| Consultant/Intern/Temporary Help | - | - | | $25.00 | | $175.00 |

Notes:
1. All hourly positions are based on a 40.0 hour work week (2,080 hours annually) unless otherwise noted.
2. Not all classifications detailed above are authorized to be filled, please refer to the Town's budget for position authorizations.
3. The Town of Portola Valley defaults to California State Minimum Wage rates.

## 1.2 Temporary and Part-Time Employee Salaries

Temporary and Part-Time employees are paid an hourly rate equivalent to the monthly rate for permanent employees in a like classification at a salary commensurate with the employee's experience. If there is no related permanent employee classification, the Town Manager shall set a temporary rate not to exceed $25.00 per hour.

## 1.3 Out-of-Classification Pay

Employees who by assignment from their supervisor, the Town Manager or Town Council perform the essential functions of a position with a higher salary classification than in which they are regularly employed shall receive increased compensation beginning on the fifth ($5^{th}$) consecutive work day that the employee performs such functions. Employee shall receive an increase of at least five percent over his/her current regular compensation as out-of-classification pay. Determinations regarding whether an employee is entitled to out-of-classification pay shall be made in the sole discretion of the supervisor, the Town Manager or the Town Council approving such out-of-classification pay. Out-of-classification assignments may be terminated by the supervisor, the Town Manager, or the Town Council at any time.

## SECTION 2

LEAVE

All leaves provided to employees (both paid and unpaid) are documented in Section 7 “Attendance and Leaves of Absence” of the Adopted Personnel Policies.

# SECTION 3

HEALTH AND WELFARE

## 3.1 Cafeteria Flexible Benefits Plan

The Town shall calculate the flexible benefit allowance (flexible dollar amount) based on the following chart effective January 1st of each year. The percentages shown below represent the amount of the flexible benefit allowance as a percentage of the CalPERS Kaiser premium as adopted by the CalPERS Board annually.

| Flexible Dollar Amount, as % of CalPERS Kaiser Premium | |
|---|---|
| Employee only | 125.00% |
| Employee + 1 | 80.00% |
| Employee + 2/more | 62.50% |

The Town provides a cafeteria plan flexible dollar amount as follows:

| *Level of coverage* | *2026 Monthly Flexible Dollar Amount* |
|---|---|
| Employee | $1,461.08 |
| Employee plus one | $1,870.18 |
| Employee plus two or more | $1,899.40 |

The flexible dollar amount may be used to select any of the CalPERS - Public Employees' Medical and Hospital Care Act (PEMHCA) medical plans available to the employee or any other benefits available in the Town's Cafeteria Flexible Benefits Plan (Plan). The additional Plan options include payment of dependent coverage vision insurance, contribution to a deferred compensation program, and contribution to a flexible spending account option. Employees selecting a plan or benefits for which the cost is greater than the Town's applicable flexible dollar amount shall pay the excess cost and may opt to pay the excess cost on a pre-tax basis. Eligible employees with proof of insurance from another source may elect to receive an opt-out payment in lieu of participating in the Town's Cafeteria Flexible Benefits Plan. Opt-out payments are:

| *Level of coverage* | *Monthly opt-out payment* |
|---|---|
| Employee Only & Employee plus one | $600.00 |
| Employee plus two or more | $800.00 |

The Town shall adopt and maintain an IRS Section 125 Cafeteria Flexible Benefits Plan Document and the monthly flexible dollar amount may be adjusted by resolution of the Town Council.

## 3.2 Designated Health Contribution Toward Health Premium

The Town contracts with CalPERS for PEMHCA medical insurance and pays the minimum monthly health contribution toward the health premium, as established by PEMHCA on an annual basis, for eligible employees and qualifying retirees. For eligible employees, this benefit begins on the first day of the calendar month following the employee's hire date and terminates on the last day of the calendar month following the employee's separation date. Retirees will be required to qualify as CalPERS annuitants and meet all statutory and legal requirements necessary to receive this benefit. The PEMHCA health contribution is included in the Cafeteria Flexible Benefit Plan amounts described in Section 3.1.

## 3.3 Dental Plan

The Town contracts for dental insurance and pays the full premium for eligible employees and their eligible dependents. This benefit begins on the first day of the calendar month following the employee's hire date and terminates on the last day of the calendar month following the employee's separation date.

## 3.4 Vision Plan

The Town contracts for vision insurance and pays the full premium for eligible employees and their eligible dependents. This benefit begins on the first day of the calendar month following the employee's hire date and terminates on the last day of the calendar month following the employee's separation date.

## 3.5 Long Term Disability Insurance

The Town contracts for long term disability insurance (LTD) and pays the full premium for eligible employees. This benefit begins on the first day of the calendar month following the employee's hire date and terminates on the employee's date of separation.

## 3.6 Group Term Life Insurance

The Town contracts for group term life insurance in the amount of fifty thousand dollars ($50,000) for eligible employees. This benefit begins on the first day of the calendar month following the employee's hire date and terminates on the employee's date of separation.

## 3.8 Workers' Compensation

### 3.8.1 General Description

Through worker's compensation, employees are insured against losses due to job-related illness or injury. Under this program, medical expenses are paid and, while disabled, employees are eligible for weekly compensation based on their salary.

### 3.8.2 Eligibility

Regular, full-time employees, part-time employees and temporary employees are eligible for this benefit. Retired employees are not eligible for this benefit.

3.8.3 Benefit

When an employee suffers a workers' compensation injury, the employee is eligible for receipt of two-thirds (2/3) of his/her salary or the amount statutorily assigned by the State of California, whichever is lower, as well as authorized health care costs, through the workers' compensation claim. Employees on workers' compensation leave may use accrued sick leave to supplement any monetary difference between their normal rate of pay and the temporary disability benefits of workers' compensation.

3.8.4 Method of Administration

Workers compensation claims are administered for the Town by a third-party administrator. All on-the-job injuries must be reported to the Administrative Services Manager immediately. When an employee makes a workers' compensation claim, the claim must be submitted to the Town on the appropriate claim form, and must be accompanied with verification of the injury by a physician as well as the recommendation that the employee be absent from work for a certain length of time to allow recovery from the injury. The third-party administrator makes the determination as to whether a claim is eligible for payment and which medical bills are eligible for reimbursement.

## 3.9 Uniforms and Safety Gear

Town employees who work in the field may be provided uniforms and safety gear necessary to protect the employee's well-being and establish a consistent Town image. The Town Manager shall determine which employee classifications are eligible for this benefit and what type of uniform or safety gear is appropriate.

The Town's annual budget includes a line item for this benefit and purchases must be authorized by the employee's supervisor under the general guidance of the Town Manager. Uniforms and safety gear are replaced as deemed necessary by the supervisor.

# SECTION 4

OTHER BENEFITS

## 4.1 Deferred Compensation

### 4.1.1 General Description

Town employees are eligible to participate in approved deferred compensation plans through payroll deductions. These deductions are forwarded to the appropriate institution by the Town at the end of each month. The two companies that are approved by the Town to administer this benefit are the National Deferred and the ICMA Retirement Trust Corporation.

### 4.1.2 Eligibility

Regular, full-time employees and part-time employees who regularly work twenty (20) hours per week or more are eligible for this benefit. Part-time employees who work less than twenty (20) hours per week, temporary employees, and retired employees are not eligible for this benefit.

### 4.1.3 Benefit

Deferred compensation is self-funded with no contribution from the Town unless otherwise stipulated by contract or as detailed below for the incumbent Public Works Director and Planning Director. Employees who elect to participate have an amount deducted from each paycheck deposited directly into their deferred compensation account. The amount of the maximum annual contribution is determined by federal and state regulations.

Public Works Director and Planning Director:
Town shall make a contribution to the deferred compensation account of the incumbent Public Works Director and Planning Director that is equal to five percent (5.0%) of their base salary each pay period provided that the Town's contribution when combined with the employee's contribution does not exceed the maximum annual contribution.

### 4.1.4 Method of Administration

Deferred compensation transactions are handled as payroll deductions. Deductions from an employee's gross pay are deposited in the appropriate account and are itemized on the employee's check stub. Taxable income at year- end is based on an employee's post-deduction gross pay. Federal and state income taxes are not calculated or withheld on amounts deposited in employee deferred compensation accounts, as they are deferred until withdrawals from the accounts begin (usually upon retirement).

## 4.2 Credit Union

All Town employees are eligible to become members of the San Mateo County Employee's Credit Union. The advantages of the programs offered to member employees are typical of credit union membership, at no cost to the Town.

## 4.3 Automobile Allowance

### 4.3.1 General Description

The automobile allowance provides reimbursement for the maintenance and use of a management employee's personal vehicle for Town business. This benefit is in lieu of a Town-provided vehicle.

### 4.3.2 Eligibility

The following positions are eligible for an automobile allowance: Deputy Building Official, Public Works Director, Planning Director.

### 4.3.3 Benefit

Eligible employees will receive a monthly allowance of two hundred fifty dollars and zero cents ($250.00) per calendar month as compensation for the use of their personal vehicle while conducting Town business.

### 4.3.4 Method of Administration

This benefit is paid each pay period worked during the calendar year at the rate of two hundred fifty dollars and zero cents ($250.00) per calendar month.

## 4.4 Tuition Reimbursement

### 4.4.1 General Description

This Section outlines the Town's Tuition Reimbursement Policy which provides financial assistance for job-related education.

### 4.4.2 Eligibility

All full-time employees of the Town who have completed no less than one year of continuous employment prior to the time of course enrollment are eligible for tuition reimbursement.

### 4.4.3 Benefit

It is the Town's policy to provide participants seeking to improve their work performance or enhance their value to the Town with reimbursement for coursework related to a degree, certificate or skill enhancement. Each course must be related to the participant's present or probable future work assignment. Courses not taken as part of a degree program are evaluated on a course-by-course basis. All coursework and course-related activities must be completed during off-duty hours.

The funds provided to eligible participants under this benefit are available only for the reimbursement for tuition costs. Institution fees, textbooks, supplies, and other costs are not reimbursable under this benefit.

Reimbursement is contingent upon the student's achieving a minimum letter grade of "B" or a point grade of "3.0" while also maintaining satisfactory work performance his/her assigned duties. The maximum reimbursement per participant is $3,000.00 per fiscal year.

### 4.4.4 Method of Administration

To request tuition reimbursement, participants must receive pre-approval for tuition reimbursement under this policy. To do so, participants must submit a "Request for Tuition Reimbursement" form to the Town Manager. The Town Manager has sole discretion over the request and may approve or deny the request.

# SECTION 5

RETIREMENT

## 5.1 Pension – "Classic Members"

### 5.1.1 General Description

The Town's retirement program provides employees with benefits through their retirement years in an amount which is based upon years of service, age of employee at the beginning of their retirement and the three highest years' compensation during their tenure.

### 5.1.2 Eligibility

All regular, full-time and part-time employees who work twenty (20) hours per week or more hired prior to January 1, 2013 are members of the California Public Employees Retirement System (CalPERS) are "Classic Members". Employees hired on or after January 1, 2013 must meet the tests established by the Public Employees' Pension Reform Act of 2012 to determine their eligibility to qualify as a "Classic Member". In order to be eligible any such employee must meet all applicable CalPERS eligibility rules.

### 5.1.3 Benefit

The Town contributes an employer share of retirement contribution based on the eligible compensation for each eligible employee, and also pays the employee's share of the retirement contribution. The employee's share is equal to 7% of their eligible compensation. No deduction is made from an employee's earnings for this retirement benefit. Eligible compensation is defined as base salary less $133.33 per month due to the Town's participation in Social Security. Eligible compensation excludes the following pay types, not all of which are currently available to Town employees: one-time or ad hoc payments; terminal pay; pay for unused leave or time off; pay for work outside of normal hours; uniform, housing or auto allowances; and employer contributions to defined contribution deferred compensation plans.

The Town's contract with CalPERS provides service retirement benefits under the "2% at 55" formula. The formula uses a multiplier of *X*%, times the number of years of service, to determine retirement benefits at a given age. For example, under the 2% at 55 formula, a retiree with 10 years of service retiring at age 55 would receive an annual retirement benefit of 20% of his/her adjusted final compensation (calculated as the highest average annual compensation over a consecutive three-year period). The earliest retirement date is age 50, with at least 5 years of service. The table below shows the "benefit factor", or multiplier for the 2% at 55 plan.

| | 2% @ 55 |
|---|---|
| Retirement Age | Percent Per Year |
| | *X* |
| 50 | 1.426 |
| 51 | 1.522 |
| 52 | 1.628 |
| 53 | 1.742 |
| 54 | 1.866 |
| 55 | 2.000 |
| 56 | 2.052 |
| 57 | 2.104 |
| 58 | 2.156 |
| 59 | 2.210 |
| 60 | 2.262 |
| 61 | 2.314 |
| 62 | 2.366 |
| 63 and over | 2.418 |

5.1.4 Method of Administration

The Town makes the appropriate payment to CalPERS each month. CalPERS keeps detailed records of each employee's account and sends annual statements to all employees within six months following the close of each fiscal year (June 30th). Once an employee retires, CalPERS administers the retirement benefit to the former employee. CalPERS offers many retirement planning workshops throughout the year to assist employees with retirement planning decisions. Details regarding the accrual and disbursement of retirement benefits can be discussed directly with a CalPERS representative.

## 5.2 Pension – "New Members"

### 5.2.1 General Description

The Town's retirement program provides employees with benefits through their retirement years in an amount which is based upon years of service, age of employee at the beginning of their retirement and the three highest years' compensation during their tenure.

### 5.2.2 Eligibility

All regular, full-time and part-time employees who work twenty (20) hours per week or more hired on or after January 1, 2013 are "New Members" unless they meet the tests established by the Public Employees' Pension Reform Act of 2012 to determine their eligibility to qualify as a "Classic Member". In order to be eligible any such employee must meet all applicable CalPERS eligibility rules.

### 5.2.3 Benefit

The Town contributes an employer share of retirement contribution based on the eligible compensation for each eligible employee. The employee's share is equal to one-half of the normal cost of the pension benefit for both employer and employee. The employee's share is deducted from the employee's earnings on a pre-tax basis for this retirement benefit. Eligible compensation is defined as base salary less $133.33 per month due to the Town's participation in Social Security. Eligible compensation excludes the following pay types, not all of which are currently available to Town employees: one-time or ad hoc payments; terminal pay; pay for unused leave or time off; pay for work outside of normal hours; uniform, housing or auto allowances; and employer contributions to defined contribution deferred compensation plans

The Town's contract with CalPERS provides service retirement benefits under the "2% at 62" formula. The formula uses a multiplier of *X*%, times the number of years of service, to determine retirement benefits at a given age. For example, under the 2% at 62 formula, a retiree with 10 years of service retiring at age 62 would receive an annual retirement benefit of 20% his/her adjusted final salary (calculated as the highest average annual compensation over a consecutive three-year period). Final compensation excludes the following pay types, not all of which are currently available to Town employees: one-time or ad hoc payments; terminal pay; pay for unused leave or time off; pay for work outside of normal hours; uniform, housing or auto allowances; and employer contributions to defined contribution deferred compensation plans. The earliest retirement date is age 52, with at least 5 years of service. The table below shows the "benefit factor", or multiplier for the 2% at 62 plan.

| | 2% @ 62 |
|---|---|
| Retirement Age | Percent Per Year |
| | *X* |
| 52 | 1.000 |
| 53 | 1.100 |
| 54 | 1.200 |
| 55 | 1.300 |
| 56 | 1.400 |
| 57 | 1.500 |
| 58 | 1.600 |
| 59 | 1.700 |
| 60 | 1.800 |
| 61 | 1.900 |
| 62 | 2.000 |
| 63 | 2.100 |
| 64 | 2.200 |
| 65 | 2.300 |
| 66 | 2.400 |
| 67 and over | 2.500 |

5.2.4 Method of Administration

The Town makes the appropriate payment to CalPERS each month. CalPERS keeps detailed records of each employees account and sends annual statements to all employees within six months following the close of each fiscal year (June 30th). Once an employee retires, CalPERS administers the retirement benefit to the former employee. CalPERS offers many retirement planning workshops throughout the year to assist employees with retirement planning decisions. Details regarding the accrual and disbursement of retirement benefits can be discussed directly with a CalPERS representative.

## 5.3 Social Security & Medicare Benefits

Payroll taxes for both Social Security and Medicare are deducted from employee wages in addition to any deduction for CalPERS Pension to fund Social Security and Medicare benefits which include old-age, survivors, and disability insurance. These taxes are paid by both the employee and the employer and are set by the federal government. An annual maximum tax is established by the federal government for Social Security and the tax is no longer deducted from the employee's wages once the employee reaches the maximum tax in a calendar year. There is no cap on Medicare taxes. Certain types of tax deferred income or pre-tax earnings are exempt from these taxes.