



## **SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO) PERSONNEL/HUMAN RESOURCES STANDING COMMITTEE MEETING AGENDA**

**AUGUST 13, 2021 – 10:30 AM**

**DUE TO COVID-19, THE AUGUST 13, 2021 SANTA CRUZ METRO PERSONNEL/HUMAN RESOURCES STANDING COMMITTEE MEETING WILL BE CONDUCTED AS A TELECONFERENCE PURSUANT TO THE PROVISIONS OF THE GOVERNOR'S EXECUTIVE ORDERS N-25-20 AND N-29-20, WHICH SUSPEND CERTAIN REQUIREMENTS OF THE RALPH M. BROWN ACT**

### **MEMBERS OF THE PUBLIC MAY NOT ATTEND THIS MEETING IN PERSON**

Directors, staff and the public may participate remotely via the Zoom website [at this link](#) and entering passcode (752452) or by calling 1-669-900-9128 Meeting ID 878 5452 9314

Public comment may be submitted via email to [boardinquiries@scmttd.com](mailto:boardinquiries@scmttd.com). Please indicate in your email the agenda item to which your comment applies. Comments submitted before the meeting will be provided to the Directors before or during the meeting. Comments submitted after the meeting is called to order will be included in the Board's weekly correspondence that is posted online at board meeting packet link.

The Personnel/Human Resources Standing Committee Meeting Agenda Packet can be found online at [www.SCMTD.com](http://www.SCMTD.com).

The Committee may take action on each item on the agenda. The action may consist of the recommended action, a related action or no action. Staff recommendations are subject to action and/or change by the Board of Directors.

### **COMMITTEE ROSTER**

Director Donna Lind, 2021 Board Chair	City of Scotts Valley
Director Bruce McPherson, 2021 Board Vice Chair	County of Santa Cruz
Director Jimmy Dutra	City of Watsonville
Director Kristen Petersen	City of Capitola
Director Mike Rotkin, Immediate Past Board Chair	County of Santa Cruz
Alex Clifford	METRO CEO/General Manager
Julie Sherman	METRO General Counsel

**MEETING TIME: 10:30 AM**

**NOTE: THE COMMITTEE CHAIR MAY TAKE ITEMS OUT OF ORDER**

- 1 CALL TO ORDER**
- 2 ROLL CALL**
- 3 ADDITIONS/DELETIONS FROM AGENDA/ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS**
- 4 ORAL AND OTHER COMMUNICATIONS TO THE PERSONNEL/HUMAN RESOURCES STANDING COMMITTEE**

This time is set aside for Directors and members of the public to address any item not on the Agenda, but which is within the matter jurisdiction of the Committee. If you wish to address the Committee, please follow the directions at the top of the agenda. If you have anything that you wish distributed to the Committee and included for the official record, please include it in your email. Comments that require a response may be deferred for staff reply.
- 5 REVIEW THE AMENDED MANAGEMENT COMPENSATION POLICY & RECOMMEND APPROVAL TO THE FULL BOARD OF DIRECTORS**

Dawn Crummié, Human Resources Director
- 6 ADJOURNMENT**

**Accessibility for Individuals with Disabilities**

This document has been created with accessibility in mind. With the exception of certain 3rd party and other attachments, it passes the Adobe Acrobat XI Accessibility Full Check. If you have any questions about the accessibility of this document, please email your inquiry to [accessibility@scmtd.com](mailto:accessibility@scmtd.com). Upon request, Santa Cruz METRO will provide for written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, service or alternative format requested at least two days before the meeting. Requests should be emailed to [boardinquiries@scmtd.com](mailto:boardinquiries@scmtd.com) or submitted by phone to the Executive Assistant at 831.426.6080. Requests made by mail (sent to the Executive Assistant, Santa Cruz METRO, 110 Vernon Street, Santa Cruz, CA 95060) must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.

**Public Comment**

If you wish to address the Board, please follow the directions at the top of the agenda. If you have anything that you wish distributed to the Board and included in the official report, please include it in your email. Comments that require a response may be deferred for staff reply.

*Santa Cruz Metropolitan  
Transit District*



**DATE:** August 13, 2021  
**TO:** Personnel/HR Standing Committee  
**FROM:** Dawn Crummié, Human Resources Director  
**SUBJECT: REVIEW THE AMENDED MANAGEMENT COMPENSATION POLICY AND RECOMMEND APPROVAL TO FULL BOARD OF DIRECTORS**

**I. RECOMMENDED ACTION**

**That the Personnel/HR Standing Committee review the Amended Management Compensation Policy and recommend approval to the full Board of Directors**

**II. SUMMARY**

- The Santa Cruz Metropolitan Transit District (METRO) Management Personnel are unrepresented and covered by a Management Compensation Plan (now retitled "Policy").
- The provisions of the Management Compensation Policy are typically revised when there are substantial changes or language revisions.
- The Management Compensation Policy was last revised on August 26, 2016.
- The proposed amended Management Compensation Policy has been updated to give back the previously deleted birthday holiday. This holiday was part of a "give-back" in 2016 during the structural deficit; however, an error was made and language was left out to receive this holiday back in 2019.
- The proposed amended Management Compensation Policy was updated to reflect current law, current practices and given a new title to Management Compensation "Policy".
- The amended Management Compensation Policy was provided to management staff for review and there were no objections to the proposed changes.
- METRO staff is recommending that the updated Management Compensation Policy be provided to the full Board of Directors (Board) on August 27, 2021.

**III. DISCUSSION/BACKGROUND**

The Management Compensation Policy was established in order to create a compensation plan for the unrepresented management staff and to provide a fair and equitable system of personnel management.

The Management Compensation Policy was created and adopted by the Board of Directors to ensure just and similar treatment for those included in the unrepresented management group.

The proposed amended Management Compensation Policy has been updated to give back the previously deleted birthday holiday, updated to reflect current law and practices, and given a new title of Management Compensation Policy.

The proposed Policy also includes new provisions regarding longevity pay, employees' medical premium contributions and "opt-out" payments for employees who waive METRO's health coverage, and cash-outs of unused leave.

The management staff have been given the opportunity to review and discuss the proposed amended Management Compensation Policy and no objections were raised to the proposed changes.

METRO staff is recommending that the Personnel/HR Standing Committee approve the proposed changes to the Management Compensation Policy (Attachment A). Also, attached is a redlined copy of the Management Compensation Plan (Attachment A), showing the language that has been revised.

#### **IV. STRATEGIC PLAN PRIORITIES ALIGNMENT**

The Management Compensation Policy applies to METRO's employee engagement.

#### **V. FINANCIAL CONSIDERATIONS/IMPACT**

The monetary value of the previously deleted birthday holiday in FY22 is \$10,577.

#### **VI. ALTERNATIVES CONSIDERED**

- The Committee could decline to make a recommendation to the Board to approve the amended Management Compensation Policy. Staff does not recommend this, as this plan was last updated on August 26, 2016.
- The Committee could discuss alternative language and make suggested revisions to the amended Management Compensation Policy, and present these alternatives to the Board for discussion.

#### **VII. ATTACHMENTS**

**Attachment A:** Management Compensation Policy (Final and Redlined versions)

Prepared by: Dawn Crummié, HR Director

**VIII. APPROVALS**

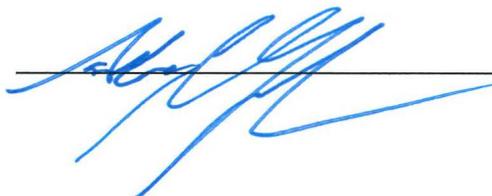
Dawn Crummié  
Human Resources Director

  
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Chuck Farmer  
Chief Financial Officer

  
\_\_\_\_\_

Alex Clifford, CEO/General Manager

  
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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

MANAGEMENT COMPENSATION POLICY

Board Adopted – August 27, 2021  
Effective – August 30, 2021

# Attachment A - CLEAN

## SANTA CRUZ METRO MANAGEMENT COMPENSATION POLICY

### TABLE OF CONTENTS

I. MANAGEMENT POSITIONS	1
II. PROBATIONARY STATUS	1
III. SALARY POLICY	1
A. Management Hourly Rate Schedules	1
B. Longevity	1
C. Supplemental Cash Payment	1
IV. HEALTH & WELFARE BENEFITS	1
A. Medical Insurance	1
B. Dental Insurance	2
C. Vision Insurance	2
D. Life and AD&D Insurance	2
E. Survivor's Benefits	2
F. Retirement Benefits	2
G. State Disability Insurance	3
H. Long Term Disability Insurance	3
I. Deferred Compensation Plan	3
J. Industrial Injury	3
K. Continuation of Insurance During an Unpaid Leave of Absence	3
L. Principal Domestic Partner Coverages	3
M. Holidays	4
V. PAID LEAVES	5
A. Annual Leave	5
B. Sick Leave	5
C. Administrative Leave	6
D. Personal Leave	7
E. Bereavement Leave	7
F. Hospice and Critical Care Leave	7
G. Paid Birth/Adoptive Leave	7
H. Jury Duty	7
I. Paid Military Leave	8
VI. UNPAID LEAVES OF ABSENCE	8
A. Maternity/Childcare Leave	8
B. FMLA/CFRA	8
VII. EXEMPT MANAGEMENT PROVISION	8
VIII. OTHER BENEFITS	8
A. Training	8
B. On Call Duty	9
C. Communication Allowance	9
IX. LAYOFF	9
A. Insurance	9
B. Severance Pay	10
X. RELOCATION EXPENSES FOR THE RECRUITMENT OF MANAGEMENT POSITIONS	10

# Attachment A - CLEAN

## I. MANAGEMENT POSITIONS

. An employee whose salary and benefits are identified in this Management Compensation Policy is engaged in developing, implementing or recommending policy, involved in executive level decisions or in decisions affecting employer-employee relations, and shall receive wages and benefits as provided for in this Policy and applicable salary schedules adopted by the Board of Directors ("Board") of the Santa Cruz Metropolitan Transit District ("Santa Cruz METRO" or "METRO").

Non-exempt employees will be paid in accordance with the Fair Labor Standard Act (FLSA). All METRO policies and Rules and Regulations apply to such employees unless otherwise modified by the Policy. This Management Compensation Policy represents a Board approved Policy, not a contract with employees covered by the Policy. From time-to-time, Policy changes may be submitted to the Board for their consideration and possible approval.

## II. PROBATIONARY STATUS

An employee shall serve a probationary period for twelve (12) months following the date of appointment or promotion to a regular budgeted management position.

## III. SALARY PLAN

A. In order to avoid regularly updating the Management Compensation Policy, please refer to the most current Management Compensation Wage Scale adopted by the Board.

### B. Longevity

Santa Cruz METRO shall compensate an employee with longevity increments as follows:

Employees covered by the Policy as of December 31, 2021:

- 5.0% of the base salary after ten years continuous service.
- An additional 5.0% of the base salary after fifteen years continuous service.

Employees hired on or after January 1, 2022:

- 5.0% of the base salary after fifteen years continuous service.
- An additional 5.0% of the base salary after twenty years continuous service

## IV. HEALTH & WELFARE BENEFITS

### A. Medical Insurance

Santa Cruz METRO shall provide medical insurance coverage for an employee, retiree and eligible dependents under the provisions of CalPERS. Effective the first pay period covering CY2022 Medical Plans, METRO shall pay 95% of the monthly premium for the Public Employees' Medical & Hospital Care Act (PEMHCA) Medical Insurance Program Plan selected by the employee/retiree and their eligible dependents. Santa Cruz METRO will continue to offer the H-Care Plan (IRC Section 125 pre-tax medical reimbursement plan) as allowed by the County of Santa Cruz.

An employee who declines participation in Santa Cruz METRO's medical insurance program and produces satisfactory evidence of other medical insurance coverage shall be paid

# Attachment A - CLEAN

\$1000 for each full three calendar month quarter beginning January 1 of each year while in active service and in which Santa Cruz METRO paid coverage would have been provided had Santa Cruz METRO's medical program been elected.

## **B. Dental Insurance**

Santa Cruz METRO shall provide paid dental insurance coverage for an employee and eligible dependents.

## **C. Vision Insurance**

Santa Cruz METRO shall provide paid vision insurance coverage for an employee and eligible dependents.

## **D. Life and AD&D Insurance**

An employee shall be entitled to a \$50,000 term life and AD&D insurance policy paid by Santa Cruz METRO plus \$150,000 in optional supplementary life and AD&D insurance paid by the employee.

## **E. Survivor's Benefits**

Upon the death of a covered employee, who is on Santa Cruz METRO's payroll and has dependents covered under Santa Cruz METRO's medical, vision and dental plans, Santa Cruz METRO's share of coverage of the eligible dependents shall continue for twenty-six (26) consecutive pay periods.

## **F. Retirement Benefits**

An employee shall be enrolled in the Public Employees Retirement System (PERS) including the third level 1959 Survivors benefit as allowed by PERS. Classic Employees shall pay the "employee share" of PERS up to a maximum of eight percent. PEPR employees shall contribute at the applicable contribution rate, based on periodic actuarial evaluations provided to METRO by PERS.

Dental, vision, and life insurance plan coverage shall be provided by Santa Cruz METRO for an employee retired under the provisions of PERS and the employee's dependents until the retired employee reaches age 65, provided that the retired employee continues to pay their monthly share of the cost of such benefits that was in effect at the time of their retirement, if any. Upon the retired employee's attainment of age 65, all METRO paid dental, vision, and life insurance will terminate. To qualify for this benefit, the retired employee shall have been an employee of Santa Cruz METRO for the equivalent of ten (10) full-time years immediately prior to the date of retirement and reached the age of 50 years.

The amount of the retired employee's monthly contribution towards their medical premiums will be consistent with the annual premium contribution amount specified for employees in the Management Compensation Policy in effect at the time of the individual's retirement.

Qualifying individuals who retired prior to July 1 2005 shall continue to receive supplemental premium payments in accordance with Santa Cruz METRO's Retiree supplemental Premium Participation Plan adopted August 25, 2006.

The CEO/General Manager, at their sole discretion, may authorize the limited use of accruals when an employee covered by the Policy notifies the CEO/General Manager of

# Attachment A - CLEAN

their retirement. Generally, such use of accruals upon notification of retirement shall be limited to thirty (30) day maximum.

## **G. State Disability Insurance**

Santa Cruz METRO shall provide paid coverage for an employee for State Disability Insurance.

## **H. Long Term Disability Insurance**

Santa Cruz METRO shall provide for a long term disability insurance plan (LTD). The plan shall provide for monthly payments to an eligible employee of up to \$10,000 per month. The plan eligibility benefits shall begin LTD the first of the month following one year after the date of hire.

## **I. Deferred Compensation Plan**

Santa Cruz METRO shall provide a deferred compensation plan to an employee.

## **J. Industrial Injury**

An employee shall be entitled to workers compensation insurance to be provided by Santa Cruz METRO.

## **K. Continuation of Insurance During an Unpaid Leave of Absence**

An employee who is on an unpaid leave of absence exceeding one hundred eighty (180) calendar days must pay the total monthly premiums in advance to continue medical, dental and vision insurance coverage. Failure of an employee to make advance payments for insurance coverage shall result in the employee and any dependent(s) being dropped from the plans.

## **L. Registered Domestic Partner Coverages**

Santa Cruz METRO medical, dental and vision insurance coverages may be extended to an employee's registered domestic partner (RDP) while the employee's own coverages are being paid by Santa Cruz METRO. In the absence of the PERS Medical Program allowing for RDP coverage, reimbursement of monthly premiums may be made to an individual medical plan to a maximum of \$185.

## **M. Holidays**

An employee shall be entitled to the following holidays with pay:

Thanksgiving Day  
Christmas Day  
New Year's Day  
Labor Day  
Independence Day  
Memorial Day  
Martin Luther King, Jr. Day

Employee's Birthday \*Must be taken within the employee's birthday month\*

# Attachment A - CLEAN

~~For an employee's birthday falling on February twenty-ninth (29th), the twenty-eighth (28th) day of February will be observed as the employee's birthday in years other than leap years. If an employee's birthday falls on the same day as a paid holiday the employee will be allowed to take the day off and receive the regular hourly rate for the holiday and the equivalent number of hours at the regular hourly rate for their birthday holiday, or, have the equivalent number of hours at the regular hourly rate for their birthday holiday added to his/her annual leave accrual.~~

**Floating Holidays** - In addition to the above-specified days, an employee may choose any (11) eleven additional days as floating holidays or when working a partial year, a prorated number of days as determined by the CEO/General Manager. An employee shall be compensated for any unused floating holiday time at the end of the fiscal year at the employee's regular rate of pay, not to exceed the total of eighty-eight (88) hours. An employee shall be entitled to receive any special non-recurring holiday designated as an official State holiday by the Governor of the State of California or as an official national holiday by the President of the United States, subject to the approval of the Board of Directors.

Upon departure from Santa Cruz METRO for any reason, an employee shall be compensated for any unused holiday time at the employee's regular rate.

## V. PAID LEAVES

### A. Annual Leave

An employee shall accrue annual leave at the following rates:

- a. For the first five years of employment ..... eleven (11) days/year
- b. Between five and nine years of employment ..... nineteen (19) days/year
- c. After nine years of employment ..... twenty-four (24) days/year

Upon approval of the CEO/General Manager, an employee shall be permitted to take a minimum of two weeks annual leave each calendar year.

An employee shall accrue the pro-rata portion of annual leave for which they are entitled for each pay period or major fraction thereof, for which they are in paid status.

An employee may not carry over into the next fiscal year more than (3) three times the annual allotted time.

Upon departure from Santa Cruz METRO for any reason, an employee shall be compensated for any unused annual leave at the employee's regular rate.

### B. Sick Leave

An employee shall be entitled to earn paid sick leave at the rate of one day for each month of employment. Sick leave shall be approved for personal illness or physical incapacity caused by factors over which the employee has no reasonable immediate control, or the illness of a member of the immediate family of such employee which illness requires their personal care and attention. Immediate family shall include the, spouse, or registered domestic partner; parent, step-parent, grandparent of employee or of the spouse or registered domestic partner, child, which includes their biological, adopted, foster, stepchild,

# Attachment A - CLEAN

or legal ward; grandchild, or sibling. Sick leave may also be used for doctor and dental appointments.

An employee who has accumulated sick leave above 120 days (960 hours) may elect to receive a cash payment of 25% of the accrued sick leave above 120 days in lieu of retaining excess sick leave credits. Any sick leave accrued beyond a balance of 96 hours may, at the option of the employee, be converted to annual leave.

Upon termination of employment from Santa Cruz METRO for any reason other than retirement, an employee shall be compensated for any unused sick leave in excess of ninety-six (96) hours at the employee's regular rate. For an employee who retires from METRO under the provisions of PERS, all unused accrued sick leave shall be paid at their regular hourly rate.

## **C. Administrative Leave**

An exempt employee shall be entitled to eighty (80) hours of Administrative Leave each year as an acknowledgement of the many hours worked annually in excess of a normal eight-hour (8) workday. **At no time will there ever be more than 80 hours of Administrative Leave in an employee's bank.** When working a partial year, a prorated amount as determined by the CEO/General Manager shall be granted.

Upon approval of the CEO/General Manager, unusual excessive time worked in a pay period may result in the CEO/General Manager granting District Paid time off in another pay period when unusual excessive time worked results from participation in unusual, lengthy after-hours activities, which require the presence of the employee in meetings, hearings, or negotiations.

Upon departure from Santa Cruz METRO for any reason, an employee shall be compensated for any unused Administrative Leave at the employee's regular rate.

## **D. Personal Leave**

An employee shall be entitled to use forty (40) hours per year of personal leave, chargeable to accumulated sick leave.

## **E. Bereavement Leave**

An employee shall be granted a leave with pay in the event of the death of any member of the employee's family. The leave shall be for a period of three (3) working days, five (5) working days if travel is required in excess of 350 miles. A family member for the purpose of this section shall include spouse, registered domestic partner or domestic partner; the parent, stepparent or grandparent of the employee or their spouse, registered domestic partner or domestic partner; the employee's child, which includes biological, adopted, foster, stepchild, or legal ward; the employee's grandchild; the employee's sibling(s), brother-in-law, sister-in-law, mother-in-law, father-in-law, aunt, uncle, niece, and nephew

## **F. Hospice and Critical Care Leave**

An employee shall be granted an unpaid leave for up to four (4) months for the care of a critically ill family member with appropriate verification. Prior to taking unpaid leave, an employee must first exhaust all compensatory leave, then exhaust all available sick leave, then exhaust their annual leave balance down to a level of forty (40) hours before being placed in unpaid status.

# Attachment A - CLEAN

## **G. Paid Birth/Adoptive Leave**

An employee is entitled to forty (40) hours leave with pay at or about the time of the birth of the employee's child, at the time of adopting a child, or the foster care placement of a new child in their home. The paid leave shall be within two months of the birth, adoption or foster care placement, or at the employee's option at the expiration of State Disability Insurance payments. . An employee may also be eligible for Paid Family Leave (PFL), administered by the California Employment Development Department (EDD).

## **H. Jury Duty**

An employee required to report for jury duty (except for Grand jury) or to answer a subpoena, as a witness shall be granted leave with full pay until released by the court. An employee shall either decline court-paid per diems or have court-paid per diems deducted from his/her daily pay during jury duty assignment.

## **I. Paid Military Leave**

An employee in permanent status who is called to active duty, required to attend military training exercises as part of their military reserve obligation, or is called for National Guard Duty shall be granted paid military leave equal to the employee's regular rate of pay, not to exceed thirty (30) working days annually. Employees may also use any or all of their accrued but unused leave or other paid time off during their military service leave.

Military spouse leave is available to any employee who is married to or is registered as a domestic partner to a qualifying member of the military who works 20 or more hours per week, and is a regular full-time or part-time employee. An eligible employee is entitled to leave for up to ten (10) days during the qualifying spouse's military leave from active duty.

## **VI. UNPAID LEAVES OF ABSENCE**

### **A. Parental Leave**

Parental leave shall be granted for a maximum period of twelve (12) months to cover absences for medical reason related to the pregnancy, delivery, or recovery of an employee or their spouse/registered domestic partner. Parental leave may also be utilized for the purpose of a post-natal infant care of medical reasons related to the adoption or foster care placement of a child.. If an employee does not have a sufficient paid leave balance to cover the period of absence, an unpaid leave of absence shall be granted. Parental leave shall run concurrently with FMLA/CFRA leave.

### **B. FMLA/CFRA**

Santa Cruz METRO will comply with the Family Medical Leave Act and the California Family Rights Act, as amended. These Acts provide for up to twelve (12) weeks (480 hours) of unpaid, job-protected leave for a serious health condition of the employee or an eligible family member. To be eligible for FMLA/CFRA the employee must have worked 1,250 hours in the twelve- month period preceding the leave. An employee's accrued sick leave must be used before any unpaid leave. FMLA/CFRA leave will run concurrently with any other absence due to an employee's own serious health condition or the serious health condition of the employee's child, parent, spouse, registered domestic partner, grandparent, grandchild, or sibling.

# Attachment A - CLEAN

If the employee is taking a leave for the birth, adoption, or foster care placement of a child, the basic minimum duration of the leave is two (2) weeks and the employee must conclude the leave within one year of the birth, placement for adoption, or foster care placement.

## VII. EXEMPT MANAGEMENT PROVISION

An employee who has exhausted all leave accruals shall not have his/her salary reduced by being absent from work on an authorized absence of less than one full day.

## VIII. OTHER BENEFITS

### A. Training

Upon approval by the CEO/General Manager, an employee shall be authorized to attend transit seminars and workshops, and to visit other properties as part of his/her ongoing job duties, and shall be compensated for receipted expenses incurred in so doing.

An employee may submit a request to the CEO/General Manager for consideration of release time and reimbursement of expenses for course work relevant to the employee's current duties and area of responsibility.

Reimbursable expenses include tuition, fees, meals and books. For courses requiring overnight travel employees shall refer to Santa Cruz METRO's Travel Policy.

Reimbursement will be made for academic or professional credentials, certifications, and/or degrees for courses directly related to the employee's current position, specific job tasks and areas of responsibility.

Approval of release time and reimbursement of expenses is at the discretion of the CEO/General Manager and subject to the demonstrated cost-benefit ratio of the training and the current workload of the employee.

### B. On Call Duty – After Regular Working Hours Business Matters

Upon providing a proper written justification to the CEO/General Manager, the CEO/General Manager has the authority, and may authorize on a case-by-case basis, a short-term or extended-term take home company vehicle to the few employees who may qualify for such. Take home vehicles are restricted to such business matters in which the employee must regularly respond to METRO business matters after hours or to respond to incidents and accidents after hours. Take home vehicles may be subject to IRS tax ramifications.

Non-exempt employees will be paid in accordance with FLSA regulations.

### C. Communication Allowance

When approved by the CEO/General Manager, an employee may receive a communication allowance of \$75 each two-week pay period.

## IX. LAYOFF

### A. Insurance

An employee separated from Santa Cruz METRO service as a result of layoff shall have their insurance benefits paid by Santa Cruz METRO at the same level while employed for a period of ninety (90) days from the date of separation.

# Attachment A - CLEAN

## **B. Severance Pay**

An employee laid off shall be given a severance payment eighty (80) hours severance pay, subject to signing a release of claims..

## **X. RELOCATION EXPENSES FOR THE RECRUITMENT OF MANAGEMENT POSITIONS**

The CEO/General Manager is authorized to negotiate the compensation packages of all Management Employees at the time of hire, including, the authority to provide relocation packages for those management positions when in the discretion and determination of the CEO/General Manager they are necessary to recruit the most qualified applicant for a vacant Management position. In no case shall the CEO/General Manager's authority exceed: 1) a cash payment not to exceed \$15,000 for receipted moving expenses; and (b) up to two roundtrip airfare reimbursements for use by the candidate of choice only; and (c) a cash payment not to exceed \$5,000 for receipted temporary housing. Employees receiving this benefit will be provided the appropriate IRS tax reporting form to reflect payment of covered expenses.

Whenever the CEO/General Manager exercises the authority granted under this section, they shall report the expenditure to the Board of Directors annually when the next year's budget is presented to the Board of Directors



SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

MANAGEMENT COMPENSATION ~~PLAN~~POLICY

Board Adopted – ~~August 26, 2016~~August 27, 2021  
Effective – ~~September 9, 2016~~August 30, 2021

# Attachment A - REDLINE

## SANTA CRUZ METRO MANAGEMENT COMPENSATION ~~PLAN~~POLICY

### TABLE OF CONTENTS

I. MANAGEMENT POSITIONS _____	1
II. PROBATIONARY STATUS _____	1
III. SALARY <del>PLAN</del> <u>POLICY</u> _____	1
A. Management Hourly Rate Schedules _____	1
B. Longevity _____	1
C. Supplemental Cash Payment _____	1
IV. HEALTH & WELFARE BENEFITS _____	<del>21</del>
A. Medical Insurance _____	<del>21</del>
B. Dental Insurance _____	<del>212</del>
C. Vision Insurance _____	2
D. Life and AD&D Insurance _____	2
E. Survivor's Benefits _____	2
F. Retirement Benefits _____	2
G. State Disability Insurance _____	<del>323</del>
H. Long Term Disability Insurance _____	<del>323</del>
I. Deferred Compensation Plan _____	<del>323</del>
J. Industrial Injury _____	<del>323</del>
K. Continuation of Insurance During an Unpaid Leave of Absence _____	<del>323</del>
L. Principal Domestic Partner Coverages _____	3
M. Holidays _____	<del>434</del>
V. PAID LEAVES _____	<del>545</del>
A. Annual Leave _____	<del>545</del>
B. Sick Leave _____	<del>545</del>
C. Administrative Leave _____	<del>546</del>
D. Personal Leave _____	<del>657</del>
E. Bereavement Leave _____	<del>657</del>
F. Hospice and Critical Care Leave _____	<del>657</del>
G. Paid Birth/Adoptive Leave _____	<del>757</del>
H. Jury Duty _____	<del>757</del>
I. Paid Military Leave _____	<del>758</del>
VI. UNPAID LEAVES OF ABSENCE _____	<del>758</del>
A. Maternity/Childcare Leave _____	<del>758</del>
B. FMLA/CFRA _____	<del>768</del>
VII. EXEMPT MANAGEMENT PROVISION _____	<del>868</del>
VIII. OTHER BENEFITS _____	<del>868</del>
A. Training _____	<del>868</del>
<del>B. Mileage Reimbursement _____</del>	<del>86</del>
<del>C. On Call Duty _____</del>	<del>869</del>
<del>D. Communication Allowance _____</del>	<del>979</del>
IX. LAYOFF _____	<del>979</del>
A. Insurance _____	<del>979</del>
B. Severance Pay _____	<del>9710</del>
X. RELOCATION EXPENSES FOR THE RECRUITMENT OF MANAGEMENT POSITIONS _____	<del>9710</del>

# Attachment A - REDLINE

## I. MANAGEMENT POSITIONS

~~An employee in a regular budgeted management position identified in Exhibit A is engaged in developing, implementing or recommending policy and in affecting employer-employee relations, and shall receive wages and benefits as provided in this plan. Non-exempt employees will be paid in accordance with the Fair Labor Standards Act (FLSA). An employee whose salary and benefits are identified in this Management Compensation Policy is engaged in developing, implementing or recommending policy, involved in executive level decisions or in decisions affecting employer-employee relations, and shall receive wages and benefits as provided for in this Policy and applicable salary schedules adopted by the Board of Directors ("Board") of the Santa Cruz Metropolitan Transit District ("Santa Cruz METRO" or "METRO").~~

Non-exempt employees will be paid in accordance with the Fair Labor Standard Act (FLSA). All METRO policies and Rules and Regulations apply to such employees unless otherwise modified by the Policy. This Management Compensation Policy represents a Board approved Policy, not a contract with employees covered by the Policy. From time-to-time, Policy changes may be submitted to the Board for their consideration and possible approval.

## III.II. PROBATIONARY STATUS

An employee shall serve a probationary period for twelve (12) months following the date of appointment or promotion to a regular budgeted management position.

## IV.III. SALARY PLAN

### A. ~~Management Hourly Rate Schedules~~

A. ~~Please refer to the most current Board of Directors adopted Management Hourly Rate Schedules. In order to avoid regularly updating the Management Compensation Policy, please refer to the most current Management Compensation Wage Scale adopted by the Board.~~

### B. Longevity

Santa Cruz METRO shall compensate an employee with longevity increments as follows:

Employees covered by the Policy as of December 31, 2021:

- 5.0% of the base salary after ten years continuous service.
- An additional 5.0% of the base salary after fifteen years continuous service.

Employees hired on or after January 1, 2022:

- 5.0% of the base salary after fifteen years continuous service.
- An additional 5.0% of the base salary after twenty years continuous service

### E. ~~Supplemental Cash Payment~~

~~In the payroll period of June 21, 2012, employees covered by the Management Compensation Plan will receive a \$1,750 supplemental cash taxable payment.~~

# Attachment A - REDLINE

## **VII.IV. HEALTH & WELFARE BENEFITS**

### **A. Medical Insurance**

Santa Cruz METRO shall provide medical insurance coverage for an employee, retiree and eligible dependents under the provisions of CalPERS. Effective the first pay period covering CY2022 Medical Plans, METRO shall pay 95% of the monthly premium for the Public Employees' Medical & Hospital Care Act (PEMHCA) Medical Insurance Program Plan selected by the employee/retiree and their eligible dependents. Santa Cruz METRO shall pay premiums at a level sufficient to cover the cost of the basic monthly medical insurance premiums for HMO plans offered in Santa Cruz County by the CalPERS medical program. Santa Cruz METRO will continue to offer the H-Care Plan (IRC Section 125 pre-tax medical reimbursement plan) as allowed by the County of Santa Cruz. ~~The amount Santa Cruz METRO pays towards medical premiums for retirees will be consistent with the premium participation amount specified in the Management Compensation Plan in effect at the time of the individual's retirement or the amount stated in Santa Cruz METRO's contract with CalPERS, whichever is greater. Qualifying individuals who retired prior to July 1 2005 shall continue to receive supplemental premium payments in accordance with Santa Cruz METRO's Retiree supplemental Premium Participation Plan adopted August 25, 2006.~~

An employee who declines participation in Santa Cruz METRO's medical insurance program and produces satisfactory evidence of other medical insurance coverage shall be paid ~~\$300~~ 1000 for each full three calendar month quarter beginning January 1 of each year while in active service and in which Santa Cruz METRO paid coverage would have been provided had Santa Cruz METRO's medical program been elected.

### **B. Dental Insurance**

Santa Cruz METRO shall provide paid dental insurance coverage for an employee and eligible dependents.

### **C. Vision Insurance**

Santa Cruz METRO shall provide paid vision insurance coverage for an employee and eligible dependents.

### **D. Life and AD&D Insurance**

An employee shall be entitled to a \$50,000 term life and AD&D insurance policy paid by Santa Cruz METRO plus \$150,000 in optional supplementary life and AD&D insurance paid by the employee.

### **E. Survivor's Benefits**

Upon the death of a covered employee, who is on Santa Cruz METRO's payroll and has dependents covered under Santa Cruz METRO's medical, vision and dental plans, Santa Cruz METRO's share of coverage of the eligible dependents shall continue for twenty-six (26) consecutive pay periods.

### **F. Retirement Benefits**

An employee shall be enrolled in the Public Employees Retirement System (PERS) including the third level 1959 Survivors benefit as allowed by PERS. ~~The Classic Employees~~ shall pay the "employee share" of PERS up to a maximum of eight percent. PEPRA employees shall contribute at the applicable contribution rate, based on periodic actuarial evaluations provided to METRO by PERS.

# Attachment A - REDLINE

Dental, vision, and life insurance plan coverage shall be provided by Santa Cruz METRO for an employee retired under the provisions of PERS and the employee's dependents until the retired employee reaches age 65-, provided that the retired employee continues to pay their monthly share of the cost of such benefits that was in effect at the time of their retirement, if any. Upon the retired employee's attainment of age 65, all METRO paid dental, vision, and life insurance will terminate. –To qualify for this benefit, the retired employee shall have been an employee of Santa Cruz METRO for the equivalent of ten (10) full-time years immediately prior to the date of retirement and reached the age of 50 years.

The amount of the retired employee's monthly contribution towards their medical premiums will be consistent with the annual premium contribution amount specified for employees in the Management Compensation Policy in effect at the time of the individual's retirement.

Qualifying individuals who retired prior to July 1 2005 shall continue to receive supplemental premium payments in accordance with Santa Cruz METRO's Retiree supplemental Premium Participation Plan adopted August 25, 2006.

The CEO/General Manager, at their sole discretion, may authorize the limited use of accruals when an employee covered by the Policy notifies the CEO/General Manager of their retirement. Generally, such use of accruals upon notification of retirement shall be limited to thirty (30) day maximum.

## **G. State Disability Insurance**

Santa Cruz METRO shall provide paid coverage for an employee for State Disability Insurance.

## **H. Long Term Disability Insurance**

Santa Cruz METRO shall provide for a long term disability insurance plan (LTD). The plan shall provide for monthly payments to an eligible employee of up to \$10,000 per month. The plan eligibility benefits shall start begin LTD the first of the month following one year after the date of hire. and one month after month of hire.

## **I. Deferred Compensation Plan**

Santa Cruz METRO shall provide a deferred compensation plan to an employee.

## **J. Industrial Injury**

An employee shall be entitled to workers compensation insurance to be provided by Santa Cruz METRO.

## **K. Continuation of Insurance During an Unpaid Leave of Absence**

An employee who is on an unpaid leave of absence exceeding one hundred eighty (180) calendar days must pay the total monthly premiums in advance to continue medical, dental and vision insurance coverage. Failure of an employee to make advance payments for insurance coverage shall result in the employee and any dependent(s) being dropped from the plans.

## **L. Principal Registered Domestic Partner Coverages**

## Attachment A - REDLINE

Santa Cruz METRO medical, dental and vision insurance coverages may be extended to an employee's ~~principal registered~~ domestic partner (~~PDP/RDP~~) while the employee's own coverages are being paid by Santa Cruz METRO. In the absence of the PERS Medical Program allowing for ~~PDP-RDP~~ coverage, reimbursement of monthly premiums may be made to an individual medical plan to a maximum of \$185.

### M. Holidays

An employee shall be entitled to the following holidays with pay:

Thanksgiving Day  
Christmas Day  
New Year's Day  
Labor Day  
Independence Day  
Memorial Day  
Martin Luther King, Jr. Day  
~~Employee's Birthday~~  
Employee's Birthday \*Must be taken within the employee's birthday month\*

~~Effective September 9, 2016 an employee shall no longer be entitled to the following holiday with pay:~~

#### ~~Employee's Birthday~~

~~For an employee's birthday falling on February twenty-ninth (29th), the twenty-eighth (28th) day of February will be observed as the employee's birthday in years other than leap years. If an employee's birthday falls on the same day as a paid holiday the employee will be allowed to take the day off and receive the regular hourly rate for the holiday and the equivalent number of hours at the regular hourly rate for their birthday holiday, or, have the equivalent number of hours at the regular hourly rate for their birthday holiday added to his/her annual leave accrual.~~

Floating Holidays - In addition to the above-specified days, an employee may choose any (11) eleven additional days as floating holidays or when working a partial year, a prorated number of days as determined by the CEO/General Manager. An employee shall be compensated for any unused floating holiday time at the end of the fiscal year at the employee's ~~regular base regular~~ rate of pay, not to exceed the total of eighty-eight (88) hours, ~~when combined with Administrative Leave.~~

An employee shall be entitled to receive any special non-recurring holiday designated as an official State holiday by the Governor of the State of California or as an official national holiday by the President of the United States, subject to the approval of the Board of Directors.

Upon departure from Santa Cruz METRO for any reason, an employee shall be compensated for any unused holiday time at the employee's ~~hourly base regular~~ rate.

# Attachment A - REDLINE

## VIII.V. PAID LEAVES

### A. Annual Leave

An employee shall accrue annual leave at the following rates:

- a. For the first five years of employment ..... eleven (11) days/year
- b. Between five and nine years of employment ..... nineteen (19) days/year
- c. After nine years of employment ..... twenty-four (24) days/year

Upon approval of the CEO/General Manager, an employee shall be permitted to take a minimum of two weeks annual leave each calendar year.

An employee shall accrue the pro-rata portion of annual leave for which ~~he/she~~they are is entitled for each pay period or major fraction thereof, for which ~~he/she is~~they are in paid status.

An employee may not carry over into the next fiscal year more than (3) three times the annual allotted time. ~~Annual leave accumulated beyond two hundred (200) hours shall upon two (2) weeks advance written request of the employee, be paid to the employee based on the employee's current base hourly rate. Payment shall be made in the subsequent pay period.~~

Upon departure from Santa Cruz METRO for any reason, an employee shall be compensated for any unused annual leave at the employee's regular rate.

### B. Sick Leave

An employee shall be entitled to earn paid sick leave ~~with pay~~ at the rate of one day for each month of employment. Sick leave shall ~~mean~~ be approved for personal illness or physical incapacity caused by factors over which the employee has no reasonable immediate control, or the illness of a member of the immediate family of such employee which illness requires ~~his/hers~~their personal care and attention. Immediate family shall include the ~~parent~~, spouse, or registered domestic partner; parent, step-parent, grandparent of employee or of the spouse or registered domestic partner, child, which includes their biological, adopted, foster, stepchild, or legal ward; grandchild, or sibling. Sick leave may also be used for doctor and dental appointments. and children, brother, or sister of the employee.

An employee who has accumulated sick leave above 120 days (960 hours) may elect to receive a cash payment of 25% of the accrued sick leave above 120 days in lieu of retaining excess sick leave credits. Any sick leave accrued beyond a balance of 96 hours may, at the option of the employee, be converted to annual leave. ~~All unused sick leave accrued shall be paid to an employee who retires immediately upon leaving Santa Cruz METRO under the provisions of PERS.~~

Upon departure or termination of employment from Santa Cruz METRO for any reason other than retirement, an employee shall be compensated for any unused sick leave in excess of ninety-six (96) hours at the employee's regular rate. For an employee who retires from METRO, under the provisions of PERS, all unused accrued sick leave shall be paid at their base regular hourly rate. under the provisions of PERS

### C. Administrative Leave

An exempt employee shall be entitled to eighty (80) hours of ~~administrative~~ Administrative leave ~~Leave~~ each year ~~in lieu of overtime~~ as an acknowledgement of the many hours

# Attachment A - REDLINE

~~worked annually in access excess of a normal eight-hour (8) workday. At no time will there ever be more than 80 hours of Administrative Leave in an employee's bank, or when~~ When working a partial year, a prorated amount as determined by the CEO/General Manager shall be granted.

~~As of June 15, 2017 – June 12, 2019, an exempt employee shall be entitled to twenty eight (28) hours of administrative leave each year in lieu of overtime or when working a partial year, a prorated amount as determined by the CEO/General Manager.~~

~~As of June 13, 2019, an exempt employee shall be entitled to eighty (80) hours of administrative leave each year in lieu of overtime or when working a partial year, a prorated amount as determined by the CEO/General Manager.~~

Upon approval of the CEO/General Manager, unusual excessive time worked in a pay period may result in the CEO/General Manager granting District ~~o~~ Paid time off in another pay period when unusual excessive time worked results from time worked in excess of eighty (80) hours in a pay period may be saved and taken as time off in another pay period when the extra hours are earned through participation in unusual, lengthy after-hours activities, which require the presence of the employee in meetings, hearings, or negotiations.

~~Administrative leave not taken during the fiscal year is lost. Upon departure from Santa Cruz METRO for any reason, an employee shall be compensated for any unused Administrative Leave at the employee's regular rate.~~

~~Upon the approval of the CEO/ General Manager, an employee may elect to convert up to eighty (80) hours of Administrative Leave to a bonus payout. In no case, will the Administrative Leave and the Floating Holiday amount paid to the employee total more than eighty-eight (88) hours.~~

## D. Personal Leave

An employee shall be entitled to use forty (40) hours per year of personal leave, chargeable to accumulated sick leave.

## E. Bereavement Leave

An employee shall be granted a leave with pay in the event of the death of any member of the employee's family. The leave shall be for a period of three (3) working days, five (5) working days if travel is required in excess of 350 miles. ~~The A~~ family member for the purpose of this section shall include spouse, registered domestic partner or domestic partner; the parent, stepparent or grandparent of the employee or their spouse, registered domestic partner or domestic partner; the employee's child, which includes biological, adopted, foster, stepchild, or legal ward; the employee's grandchild; the employee's sibling(s), brother-in-law, sister-in-law, mother-in-law, father-in-law, aunt, uncle, niece, and nephew is defined as spouse, parent, grandparent, sister, brother, child, grandchild, foster parent, stepparent, foster child, stepchild, father-in-law, mother-in-law, brother-in-law, sister-in-law, nieces, nephews, aunt, uncle, or any person living in the immediate household of the employee.

## F. Hospice and Critical Care Leave

An employee shall be granted ~~necessary leaves~~ an unpaid leave for up to four (4) months for the care of a critically ill family member with appropriate verification. ~~An employee shall be paid for these absences from his/her sick leave or annual leave accruals.~~ Prior to taking

# Attachment A - REDLINE

unpaid leave, an employee must first exhaust all compensatory leave, then exhaust all available sick leave, then exhaust their annual leave balance down to a level of forty (40) hours before being placed in unpaid status.

## G. Paid Birth/Adoptive Leave

An employee is entitled to forty (40) hours leave with pay at or about the time of the birth of the employee's child, ~~or at the time of adopting a child.~~, or the foster care placement of a new child in their home. The paid leave shall be within two months of the birth, ~~or adoption~~ or foster care placement, or at the employee's option at the expiration of State Disability Insurance payments. An employee may also be eligible for Paid Family Leave (PFL), administered by the California Employment Development Department (EDD).

## H. Jury Duty

An employee required to report for jury duty (except for Grand jury) or to answer a subpoena, as a witness shall be granted leave with full pay until released by the court. An employee shall either decline court-paid per diems or have court-paid per diems deducted from his/her daily pay during jury duty assignment.

## I. Paid Military Leave

An employee in permanent status who is called to active duty, required to attend ~~summer~~ military training exercises as part of ~~his/her~~their military reserve obligation, or is called for National Guard Duty shall be granted paid military leave equal to the employee's base regular rate of pay, not to exceed thirty (30) working days annually. Employees may also use any or all of their accrued but unused leave or other paid time off during their military service leave.

Military spouse leave is available to any employee who is married to or is registered as a domestic partner to a qualifying member of the military who works 20 or more hours per week, and is a regular full-time or part-time employee. An eligible employee is entitled to leave for up to ten (10) days during the qualifying spouse's military leave from active duty.

## VI. UNPAID LEAVES OF ABSENCE

### A. ~~Maternity/Childcare Leave~~ Parental Leave

~~Maternity/childcare~~ Parental leave shall be granted for a maximum period of twelve (12) months to cover absences for medical reason related to the pregnancy, delivery, or recovery of an employee or their spouse/registered domestic partner. Parental leave may also be utilized for the purpose of a post-natal infant care of medical reasons related to the adoption or foster care placement of a child. If an employee does not have a sufficient paid leave balance to cover the period of absence, an unpaid leave of absence shall be granted. Parental leave shall run concurrently with FMLA/CFRA leave.

### B. FMLA/CFRA

Santa Cruz METRO will comply with the Family Medical Leave Act and the California Family Rights Act, as amended. These Acts provide for up to twelve (12) weeks (480 hours) of unpaid, job-protected leave for a serious health condition of the employee or an eligible family member. To be eligible for FMLA/CFRA and the employee ~~has~~ must have worked 1,250 hours in the twelve- month period preceding the leave. An employee's Accrued accrued sick leave must be used before any unpaid leave. ~~This~~ FMLA/CFRA leave will run

# Attachment A - REDLINE

concurrently with any other absence due to an employee's own serious health condition or the serious health condition of the employee's child, parent, spouse, registered domestic partner, grandparent, grandchild, or sibling.

If the employee is taking a leave for the birth, adoption, or foster care placement of a child, the basic minimum duration of the leave is two (2) weeks and the employee must conclude the leave within one year of the birth, placement for adoption, or foster care placement.

## VII. EXEMPT MANAGEMENT PROVISION

An employee who has exhausted all leave accruals shall not have his/her salary reduced by being absent from work on an authorized absence of less than one full day.

## VIII. OTHER BENEFITS

### A. Training

Upon approval by the CEO/General Manager, An-an employee shall be authorized to attend transit seminars and workshops, and to visit other properties as part of his/her ongoing job duties, and shall be compensated for receipted expenses incurred in so doing.

An employee may submit a request to the CEO/General Manager for consideration of release time and reimbursement of expenses for course work relevant to the employee's current duties and area of responsibility.

Reimbursable expenses include tuition, fees, meals and books. For courses requiring overnight travel employees shall refer to Santa Cruz METRO's Travel Policy.

Reimbursement will be made for academic or professional credentials, certifications, and/or degrees for courses directly related to the employee's current position, specific job tasks and areas of responsibility.

Approval of release time and reimbursement of expenses is at the discretion of the CEO/General Manager and subject to the demonstrated cost-benefit ratio of the training and the current workload of the employee.

### ~~B. Mileage Reimbursement~~

~~If Santa Cruz METRO requires an employee to use the employee's private insured automobile to conduct Santa Cruz METRO business, the employee shall be reimbursed for automobile expenses at the rate established annually by the IRS.~~

### ~~C.B. On Call Duty – After Regular Working Hours Business Matters~~

~~Upon providing a proper written justification to the CEO/General Manager, the CEO/General Manager has the authority, and may authorize on a case-by-case basis, a short-term or extended-term take home company vehicle to the few employees who may qualify for such. Take home vehicles are restricted to such business matters in which the employee must regularly respond to METRO business matters after hours or to respond to incidents and accidents after hours. Take home vehicles may be subject to IRS tax ramifications. If an employee is required to be on call, they shall be offered access to a Santa Cruz METRO vehicle in order to provide for home to work transportation. "On call" shall be defined as the requirement for the employee to report to work after or before normal duty hours to perform the functions, which cannot otherwise be performed during regular duty hours. When an~~

# Attachment A - REDLINE

~~employee is assigned such duties on a regular basis, he/she may be assigned a car for home to work transportation on a regular basis. If such work is assigned on a periodic or occasional basis, the assignment of a car for home to work transportation shall be on an as-needed basis only, as approved by the CEO/General Manager. The staff car assigned on an on-call basis to an employee shall be used to provide transportation only between the home and the work place. It shall not be used to make intermediate stops or for any other personal use. During normal duty hours, staff cars are similarly restricted for use only for official business of Santa Cruz METRO, or for transportation between the facilities of Santa Cruz METRO.~~

Non-exempt employees will be paid in accordance with FLSA regulations.

## **D.C. Communication Allowance**

When approved by the CEO/General Manager, an employee may receive a communication allowance of \$75 each two-week pay period. ~~An employee on approved Santa Cruz METRO travel with the CEO/General Manager's approval may be reimbursed for eligible roaming and long distance charges.~~

## **IX. LAYOFF**

### **A. Insurance**

An employee separated from Santa Cruz METRO service as a result of layoff shall have ~~his/hers~~their insurance benefits paid by Santa Cruz METRO at the same level while employed for a period of ninety (90) days from the date of separation.

### **B. Severance Pay**

An employee laid off shall be given a severance payment ~~equal to eight (8) hours at the base hourly rate for each 2,080 hours of active service, up to a maximum of eighty (80) hours severance pay, subject to signing a release of claims..~~

## **X. RELOCATION EXPENSES FOR THE RECRUITMENT OF MANAGEMENT POSITIONS**

The CEO/General Manager is authorized to negotiate the compensation packages of all Management Employees at the time of hire, including, the authority to provide relocation packages for those management positions when in the discretion and determination of the CEO/General Manager they are necessary to recruit the most qualified applicant for a vacant Management position. In no case shall the CEO/General Manager's authority exceed: 1) a cash payment not to exceed \$15,000 for receipted moving expenses; and (b) up to two roundtrip airfare reimbursements for use by the candidate of choice only; and (c) a cash payment not to exceed \$5,000 for receipted temporary housing. Employees receiving this benefit will be provided the appropriate IRS tax reporting form to reflect payment of covered expenses.

Whenever the CEO/General Manager exercises the authority granted under this section, ~~he/she~~they shall report the expenditure to the Board of Directors annually when the next year's budget is presented to the Board of Directors at the first available Board meeting following the finalization of a successful recruitment.

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