

RESOLUTION NO. 2026-26

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EXETER AUTHORIZING WAGE AND RELATED BENEFITS FOR EMPLOYEES OF THE DEPARTMENT HEAD GROUP

WHEREAS, the City Council of the City of Exeter ("City" or "City Council") is authorized to set the terms and conditions of employment for unrepresented employees; and

WHEREAS, the City Council desires to memorialize in a single Resolution the benefits and compensation currently provided to Department Head employees ("Department Heads" or "Department Head Group"); and

WHEREAS, this Resolution is intended to and does supersede all previous resolutions, and terms and conditions of employment for Department Head employees, except as otherwise expressly provided herein or under their employment contracts; and

WHEREAS, this Resolution may be modified, amended, terminated, or superseded by the City Council at any time; and

WHEREAS, this Resolution shall apply to all Department Head employees, which include the following positions: Public Works Director, Police Chief, Finance Director, and any other Department Head positions designated by the City Council; and

NOW, THEREFORE, IT IS HEREBY RESOLVED, that the City Council adopts this Resolution, which shall be effective July 28, 2026, and will remain in effect until it is modified, amended, terminated, or superseded by further resolution of the City Council.

SECTION I - INCORPORATION

Department Head employees are at-will employees of the City pursuant to City of Exeter Code of Ordinances section 2.08.060. Department Head employees serve at the discretion of the City Administrator, with the consent of the City Council, unless otherwise provided by applicable law or City ordinance.

Department Head employees shall enjoy all applicable employment rights provided by State and Federal law. The City shall have as a primary goal the protection and furtherance of those rights. As at-will employees, Department Head employees are subject to the compensation, benefits, and conditions specified in this Resolution and in the City of Exeter Personnel Rules and Regulations.

Where this Resolution contains a provision pertaining to a specific topic also contained in the City of Exeter Personnel Rules and Regulations, the provisions of this Resolution shall apply and

shall replace the applicable section of the Personnel Rules and Regulations to the extent of any conflict. Where this Resolution is silent as to matters addressed in the Personnel Rules and Regulations, the Personnel Rules and Regulations shall be the guiding source and authority, if applicable by their own terms. Provisions of an individual employment contract will supersede this Resolution and the Personnel Rules and Regulations where there is a conflict.

SECTION II - WAGES

Effective the first full pay period following City Council approval of this Resolution, effective July 1, 2026, the City of Exeter shall adjust the salary schedule for Department Head positions as follows:

- The City shall grant a 5.0% salary increase for the following positions covered by this Resolution.
 1. Public Works Director
 2. Finance Director
- The City shall grant a 2.0% salary increase for the following position covered by this Resolution.
 1. Police Chief
- The salary schedule for Police Chief is set in a matrix with 5.0% intervals between steps. Step "F" will be added to the salary schedule, maintaining the aforementioned interval between steps.

Effective the first full pay period that includes July 1, 2027, the City of Exeter shall again adjust the salary schedule for Department Head positions as follows:

- The City shall grant a 5% salary increase for the following positions covered by this Resolution.
 1. Public Works Director
 2. Finance Director
- The City shall grant a 2% salary increase for the following position covered by this Resolution.
 1. Police Chief

SECTION III - HOURS OF WORK AND OVERTIME

SECTION 3.1 HOURS OF WORK

The provisions in this section govern hours of work for employees. However, this provision shall not interfere with the essential services of a department. Department Head employees for the City are assigned a schedule of 40 hours per week, but may require additional hours based on assignment, workload, and the operational needs of the City. Shifts vary as required to meet the operational requirements of the department where the employee works. When desirable, the City Administrator may designate other working hours for employees whose specific duties require it.

SECTION 3.2 OVERTIME

All Department Head employees are classified as exempt employees and are ineligible for overtime pay.

SECTION IV - LEAVES

SECTION 4.1 HOLIDAYS

Holiday leave shall be provided in accordance with Sections 419 and 420 of the Personnel Rules and Regulations.

SECTION 4.2 VACATION

Vacation leave shall be provided in accordance with Chapter Six (6) of the Personnel Rules and Regulations, except as otherwise provided in this Resolution or employee contract.

Department Heads shall receive vacation leave based on the following structure:

Years of Service	Annual Accrual (up to)	Monthly Accrual (up to)
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1-2	16 Working Days	10 2/3 hrs.
3-4	17 Working Days	11 1/3 hrs.
5-6	18 Working Days	12 hrs.
7-8	19 Working Days	12 2/3 hrs.
9-10	20 Working Days	13 1/3 hrs.
11-12	21 Working Days	14 hrs.
13-Up	22 Working Days	14 2/3 hrs.

SECTION 4.3 VACATION REDEMPTION

Department Head employees covered by this Resolution may elect to receive cash in lieu of up to eighty (80) hours of vacation leave accrual each calendar year, subject to the terms and conditions in this section.

To receive cash in lieu of vacation leave accrual, an employee must submit an irrevocable written election form no later than December 31st of the calendar year prior to the calendar year in which the employee wishes to receive cash in lieu of leave. To be eligible, the employee must, as of the December 31 deadline, have at least one-hundred sixty (160) hours of vacation leave accrued and must have taken at least forty (40) hours of vacation leave during the previous year. The cash in lieu will be payable in the last pay period of November the following calendar year. Only leave hours already accrued in the calendar year for which an election is made may be cashed out. Cashouts for leave hours accrued in a prior calendar year are not allowed. If an employee for any reason would not have accrued the full amount elected for cash-out during the current year, the cash-out amount will be reduced accordingly.

In lieu of the above provisions and the provisions in the Personnel Rules and Regulations, the Police Chief may elect to cash out eighty 80 hours of vacation leave once per calendar year when he reaches 360 hours of accrued vacation as long as he has taken forty (40) hours of vacation leave in the previous eight (8) months.

SECTION 4.4 SICK LEAVE

Sick leave shall be provided in accordance with Chapter Seven (7) of the Personnel Rules and Regulations, except as otherwise provided in this Resolution.

Department Heads shall accrue sick leave at a rate of 8 hours per month accrued bi-weekly.

SECTION 4.5 SICK LEAVE REDEMPTION

Upon separation from employment, Department Heads who leave in good standing may be paid as indicated for unused sick time hours left in their sick leave bank. Alternatively, sick leave balances may be converted to PERS service credit if allowed by the applicable PERS contract. If sick leave is to be paid to an eligible employee, the following table shall be utilized to calculate the amount to be paid out:

Years of Service	Percentage of Balance to be Paid
0 to less than 5 years	Not eligible
5 to less than 10 years	15%
10 to less than 15 years	20%
15 to less than 20 years	25%
20 years and over	30%

For the Police Chief, if the employee uses only between zero (0) and thirty-six (36) hours of sick leave in a calendar year, the employee may, at the start of the new calendar year, request to redeem up to sixty (60) hours of accrued sick leave in pay, at the rate of 30% of the employee's regular rate of pay, provided that the employee's remaining sick leave balance, at the conclusion of the transaction, does not drop below the greater of one hundred sixty (160) hours or the elimination period for the disability insurance acquired by the EPOA.

For the Police Chief, the employee is allowed four (4) personal leave days per year to be taken from the employee's sick leave bank and utilized at the employee's discretion, upon approval by the employee's supervisor. Personal leave does not accrue in a separate bank and is more aptly described as an allowed use of accumulated sick leave for personal reasons other than illness or injury, which may be substituted for other previously scheduled leave prior to submittal of timesheets.

If the Police Chief is killed in the line of duty, the City shall pay the Police Chief's beneficiary 50% of the Police Chief's accumulated sick leave at the regular rate of pay at the time of passing.

SECTION 4.6 EXECUTIVE LEAVE

Department Head employees receive 96 hours of Executive Leave every July 1. Executive Leave must be used within the fiscal year accumulated and may not be carried over from one fiscal year to another. An employee who is hired in an exempt position after December 31 shall be granted a prorated portion based on the number of months remaining in the fiscal year.

SECTION 4.7 OTHER LEAVES

Other leaves, including jury leave, military leave, and medical and family leaves shall be provided in accordance with Chapter 8 of the Personnel Rules and Regulations.

SECTION V - SPECIAL PAYS

SECTION 5.1 BILINGUAL PAY

The City will provide \$23.08 bi-weekly in compensation for qualified bilingual Department Head employees routinely and consistently assigned in designated positions requiring communication skills in languages other than English who satisfactorily pass the City's designated bilingual testing/exam process. Qualification and designation shall be approved by the City Administrator.

SECTION 5.2 RETENTION PAY

Department Head employees shall receive retention pay (longevity) based on complete years of City of Exeter full-time employment/service as a percentage of base pay as follows: 2.5% at each of 6, 10, and 15 years, up to a maximum of 7.5%.

For sworn Department Head employees, including the Police Chief, retention pay (longevity) shall be based on the EPOA retention pay, which is based on completed years of full-time, sworn law enforcement officer employment as a percentage of base pay as follows: 2.5% at each of 6, 10, and 15 years, up to a maximum of 7.5%. Prior law enforcement service shall include any service as a peace officer under Penal Code section 830 et seq. or the out-of-state equivalent. Substantiation of prior sworn service must be provided to Human Resources, who will have sole responsibility for verifying and approving prior service.

SECTION 5.3 TREASURER STIPEND

The Finance Director shall receive the established Treasurer stipend of \$300.00 per month, equivalent to \$138.46 bi-weekly.

SECTION 5.4 TECHNOLOGY/CELL PHONE STIPEND

Employees shall receive a stipend of \$20.77 bi-weekly, to be used toward payment of the employee's personal cellular telephone account if the employee agrees to allow the City to use the employee's personal cellular telephone number to contact the employee regarding work-related issues. The employee may also elect to decline the stipend and instead be provided with a City-issued cell phone.

SECTION 5.5 AUTOMOBILE / AUTOMOBILE ALLOWANCE / MILEAGE REIMBURSEMENT

The City, at its sole discretion, shall provide automobile benefits under either of the following provisions:

A. City Vehicle. The City may provide a City automobile for City use during employment with the City.

For employees assigned a City automobile, the City shall be responsible for providing liability, property damage, and comprehensive insurance, to the extent coverage is provided by the City's Risk Management Authority, and for the purchase, operation, maintenance, repair, and regular replacement of the provided automobile. The employee shall not permit any person other than an authorized City employee to drive or use said automobile. The employee shall be responsible for keeping records of use of the vehicle for business versus personal use and shall be responsible for any tax implications for this benefit.

B. Automobile Allowance. Employees may receive a monthly automobile allowance of \$300.00, equivalent to \$138.46 bi-weekly. Employee shall be responsible for providing liability, property damage, and comprehensive insurance

SECTION 5.6 UNIFORM AND BOOT ALLOWANCE

The City shall provide a boot allowance of \$250.00 per fiscal year to the Public Works Director to purchase appropriate boots/shoes for the duties of the position. If the desired footwear exceeds \$250.00 in cost, the employee will be responsible for paying the difference at the time of purchase.

The Police Chief shall receive an annual uniform allowance of \$1,200.00, paid bi-weekly at a rate of \$46.15 with the employee's regular payroll check, which is the same amount provided to the Exeter Police Officers Association.

No boot or uniform allowance is provided to other Department Head employees unless separately approved by the City Council.

SECTION 5.7 EDUCATIONAL REIMBURSEMENT

Educational reimbursement shall be available to Department Head employees as set forth in this section.

A. The Public Works Director, Finance Director, and other non-sworn Department Heads shall be eligible for educational reimbursement up to a maximum of \$750.00 per fiscal/school year, for education that improves the employee's ability to accomplish City job duties, as approved by the City Administrator, consistent with City-adopted policies.

B. The Police Chief shall be eligible for educational reimbursement up to a maximum of \$1,000.00 per fiscal/school year.

Employees wishing to pursue reimbursement may request City funds when registering for the course(s) or after completion of the course(s). If the employee requests funds at the time of

registration, the employee must submit documentation of the name, location, and cost of the course(s). The employee must also submit proof of successful completion of the course with a passing grade upon completion. If the employee fails to complete the course(s) or does not complete the course(s) with a passing grade, the employee must return the funds to the City of Exeter. The City reserves the right to deduct any such amount due the City from the employee's payroll or next special check.

If the employee requests reimbursement for a course(s) after completion, the employee must submit documentation of the name, location, and cost along with evidence of successful completion of the course(s) with a passing grade.

If an employee covered by this Resolution completes an accelerated degree program, successfully receiving a bachelor's degree or master's degree as a result of such program, reimbursement for allowable educational expenses, including tuition and books directly paid to the program, may be extended to the single calendar year beyond completion of the program at the reimbursement rate applicable to the employee under this section.

SECTION VI - RETIREMENT BENEFITS

SECTION 6.1 CalPERS DEFINED BENEFIT PLAN

Department Head employees are subject to the retirement contributions and formulas based on the City's CalPERS contract, the Public Employees' Retirement Law, and the Public Employees' Pension Reform Act.

Department Head employees shall pay the full employee contribution to CalPERS. In addition, Department Head employees shall continue to pay 3.0% of the CalPERS employer contribution as cost sharing. If, for whatever reason, the cost sharing provisions are deemed not to continue, then Department Head employee compensation shall also be reduced by the same percentage as cost sharing is reduced, retroactive to the same date that cost sharing is deemed to have ceased or been reduced.

SECTION 6.2 DEFERRED COMPENSATION PROGRAM

The deferred compensation plan is a voluntary retirement program. Department Head employees determine how much of their pay is to be contributed to the deferred compensation plan, up to IRS limits. The City agrees to match employees' contribution into the City's designated deferred compensation program in an amount up to \$50.00 per bi-weekly pay period.

SECTION VII - HEALTH AND WELFARE BENEFITS

SECTION 7.1 HEALTH, VISION, AND DENTAL

Benefits will be made available to Department Head employees as outlined in the City of Exeter Personnel Rules and Regulations, as applicable to Management Employees and/or Department Head employees, including any future amendment of those rules and regulations that may

occur during the term of this Resolution. Specific and/or unique benefit provisions applicable to Department Head employees are described in this Resolution.

Department Head employees may choose to participate in the City's Opt-Out Plan, but otherwise will contribute a portion of their base salary toward medical coverage consistent with the applicable City policies in effect.

Employee contribution amounts are subject to future negotiations, City policy, and applicable City Council action, and are subject to change.

SECTION 7.2 EMPLOYEE CLINIC

Department Head employees and their families who participate in the City's health plan may utilize the Elite Wellness Employee Health Clinic in Visalia, California at no cost.

SECTION 7.3 LIFE INSURANCE

Department Head employees are covered under the City-provided life insurance program as outlined in Section 1915 of the Personnel Rules and Regulations.

SECTION 7.4 EMPLOYEE ASSISTANCE PROGRAM

The City offers an Employee Assistance Program ("EAP"). Employees who believe they may have an alcohol or drug problem are urged to voluntarily seek confidential assistance from the EAP. EAP is part of a network of professional counselors and designed to provide help for employees who, among other things, may have an alcohol or drug problem or both.

SECTION VIII - IRC SECTION 125 PLAN & AFLAC SUPPLEMENTAL PROGRAMS

The City offers an IRC Section 125 plan to employees as well as AFLAC supplemental programs such as whole life insurance, individual term life insurance, cancer indemnity insurance, limited benefit health insurance, accidental means-only insurance with a wellness benefit, and hospital confinement indemnity insurance at the employee's own cost.

PASSED, APPROVED AND ADOPTED this 28th day of July, 2026.

AYES: WILSON, LENTZ, RIDDLE, JOHNSON, ALVES

NOES: 0

ABSTAIN: 0

ABSENT: 0

ATTEST:



Francesca Nevarez, City Clerk



Jacob Johnson, Mayor