

# **COMPENSATION AND BENEFITS PLAN**

**BETWEEN**

**THE CITY OF TRACY**

**AND**

**LIMITED SERVICE EMPLOYEES**

**October 1, 2025 through September 30, 2029**



Think Inside the Triangle®

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# Limited Service Employee Compensation and Benefits Plan

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**City of Tracy**  
**Limited Service Employee**  
**Compensation and Benefit Plan**  
**Effective October 1, 2025 through September 30, 2029**

**Section 1. Purpose and Intent**

This Limited Service Employee Compensation and Benefits Plan supersedes all prior Plans governing the employment relationship between the City and Limited Service Employees. The following plan provides the basis for recognition, benefits and compensation, effective October 1, 2025 through September 30, 2029.

**Section 2. Coverage**

From time to time the City may hire employees to perform work on a limited service basis. Limited service work assignments may include, without limitation, work on a part time, temporary, on-call, seasonal, supplemental and/or student basis. Limited Service Employees are distinguished from regular employees – i.e.: employees holding regular, full-time positions in the City. The City may establish by individual written contract, the terms and conditions of a limited service assignment. To be effective, such contract must be signed by the City Manager.

**Section 3. Compensation and Benefits**

**A. Pay Rate:**

Unless otherwise agreed to in an individual contract, Limited Service Employees shall receive such compensation pursuant to the pay rates provided in the Master Salary Schedule. Unless designated exempt from overtime under the Fair Labor Standards Act (“FLSA”), compensation will be paid on an hourly basis. The hourly rate of pay shall correspond to the pay ranges as listed in the Master Salary Schedule or the City’s Classification and Compensation Plan, unless otherwise specified in an individual contract.

**B. COLA Increase:**

Effective the first full pay period after October 1, 2025, all classifications will receive a two and one half percent (2.5%) salary increase.

**C. Pay for New Employees:**

Step "A" shall typically be paid upon initial employment into the pay range. If the Limited Service Employee possesses exceptional training or experience, that employee may start at step "B" with the approval of the Department Head. Appointments at any step greater than "B" require prior authorization from the City Manager.

**D. Step Increases:**

In accordance with the City's Personnel Rules, Limited Service Employees are eligible for a step increase at the discretion of the Department Head or their designee after working for one continuous year and hours worked reaches 1040 hours and thereafter every one year and 1040 hours worked until the attainment of Step E. An exception may be made for step advances for LSE assigned to the Aquatics Program after they have worked for one continuous year and thereafter every one year until the attainment of Step E. There is no retroactivity for LSE step increases.

**E. Overtime:**

For Limited Service Employees entitled to receive overtime, they shall be paid at a rate of one and one-half (1.5) times the regular hourly rate of pay, for hours actually worked over 40 in the designated workweek. Overtime is the hours actually worked in excess of the employee's regular workweek, and which has the prior approval of the Department Head or designated representative.

**F. Workweek:**

The workweek shall be from Sunday through the following Saturday, unless otherwise designated by the Department Head. For those employees permitted to work on the 9/80 schedule, the workweek for purposes of calculating overtime under the FLSA, shall be midway Friday the employee works to midway the following Friday.

**G. Benefits:**

**Holiday Pay** - Receive pay at the rate of one and one-half (1.5) times the hourly rate of pay for all hours worked on a City observed holiday (this overtime shall not be added to overtime due under the FLSA).

**City Programs** - May participate in the City Safety Committee, Tracy Service Improvement and Employee of the Month programs.

**Service Recognition** - May receive certificate(s) for recognition of service time in five-year increments based on calendar years worked.

**Sick Leave** Limited Service Employees who have worked for the City of Tracy for 30 or more days within 12 months from the beginning of employment, and who are not eligible for any form of leave benefit provided by the City of Tracy or any employee group are eligible for paid sick leave in accordance with the City's Sick Leave for Limited Service Employees administrative policy. Retired CalPERS annuitants are excluded for receiving sick leave.

Use: Limited Service Employees are eligible to use their available paid sick leave beginning on the 90<sup>th</sup> day of employment.

Accrual: Forty (40) hours at time of hire and per fiscal year thereafter. Unused sick leave hours do not carry forward from fiscal year to fiscal year.

**Bereavement Leave for Scheduled Work Hours**

Limited Service Employees are entitled to leave due to the death of immediate family members, as defined in the City's Bereavement Leave administrative policy, and not to exceed five (5) non-paid calendar days within three (3) months of the date of death of the family member. This leave will be based on the formulated schedules within the respective departments relevant to the employee. In the event of the death of a relative, not a member of the immediate family, absence from duty shall be allowed not to exceed one (1) day.

**H. CalPERS Membership**

The following sections apply to Limited Service Employees who are enrolled in the CalPERS Retirement Program, either prior to joining the City or after working 1,000 hours or more in a fiscal year at the City. In addition to the benefits listed above, these employees are eligible for:

**Jury Duty Leave for Scheduled Work Hours**

Allowed time away from work to comply with jury duty requests to report, as specified, in the City's Personnel Rules and Regulations.

**Leave Accrual**

Vacation Leave – Accrual will be based on date of CalPERS enrollment, and in accordance with years of service, on a prorated basis.

| Months of Service | Vacation Accrual Rate |
|-------------------|-----------------------|
| 0 – 59            | 0.0462                |
| 60 – 119          | 0.0654                |
| 120 – 179         | 0.0847                |
| 180 - 999         | 0.0923                |

**CalPERS Retirement:**

Limited Service Employees who have worked 1,000 hours or more in a fiscal year and/or are enrolled in the CalPERS Retirement System, shall be entitled to the following benefits:

For employees hired and enrolled in the CalPERS Retirement Program on or before December 16, 2010, and under the first tier CalPERS retirement formula (2.5% at 55), the employee shall pay the 8% employee contribution during the term of this Compensation and Benefits Plan.

For employees hired and enrolled in the CalPERS Retirement Program between December 16, 2010 through December 31, 2012, and under the second tier CalPERS retirement formula (2% and 55), the employee shall pay the 7% employee contribution during the term of this Compensation and Benefits Plan.

For employees hired and enrolled in the CalPERS Retirement Program on or after January 1, 2013 and who qualify as “new employees” under the Public Employee’ Pension Reform Act shall receive average of three (3) consecutive highest years and 2% at 62 benefit formula provided through CalPERS. Employees who receive the CalPERS retirement formula of 2% @ 62 shall pay the employee contribution required by the Public Employees’ Pension Reform Act, currently calculated at fifty percent (50%) of the normal cost.

**Section 4.       Miscellaneous**

- A. As used in this Plan, “the City” refers to the City Manager, and includes their designees; provided, however, the City Manager may not delegate authority to alter at-will employment relationships. The City Manager may establish reasonable rules, regulations and procedures to implement this Plan.
- B. Limited Service Employees shall have no property rights to continued employment or work in the City. Limited Service employees are “at-will” in that the City or the worker may terminate the relationship, with or without cause. The at-will relationship with the City may not be changed by practice, custom or express representation, but only by a written documentation personally signed by the City Manager and the affected worker. Limited Service Employees may also be subject to discipline, including counseling, reprimands, suspensions, demotions, and step reductions, but shall have no appeal rights under the City’s Personnel Rules and Regulations.
- C. Generally speaking, Limited Service Employees will be restricted to performing no more than 999 hours of service in a fiscal year if they are not already enrolled in the CalPERS retirement program. Upon recommendation of the Department Head, and

with the approval of the City Manager, Limited Service Employees may be authorized to work beyond the 999 hour limit.

- D. In the event a court of competent jurisdiction determines that some provision in this Plan is inconsistent with applicable law, the City may, in its discretion, void all or part of this Plan and terminate any affected employment relationships.