

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY OF WATSONVILLE AND ITS
POLICE MANAGEMENT UNIT
2025-2028**



TABLE OF CONTENTS

<u>1.0</u>	<u>COMPENSATION</u>	<u>3</u>
1.1	Salary Adjustment	3
1.2	Retirement Contribution.....	3
1.3	Administrative Leave	5
1.4	Overtime Pay.....	5
1.5	Auto Policy.....	5
1.6	Uniform Allowance.....	5
1.7	Bilingual Pay.....	6
1.8	Educational Incentive Pay for Police Captains and Assistant Chief of Police.....	7
1.9	Longevity Pay.....	7
1.10	Deferred Compensation.....	8
<u>2.0</u>	<u>INSURANCE</u>	<u>8</u>
2.1	Health Insurance.....	8
2.2	Excess Disability Insurance.....	9
2.3	Long Term Disability Insurance.....	9
2.4	Life Insurance.....	10
<u>3.0</u>	<u>LEAVES</u>	<u>10</u>
3.1	Vacation Leave.....	10
3.2	Holidays	10
3.3	Sick Leave	11
<u>4.0</u>	<u>ENACTMENT</u>	<u>12</u>

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF WATSONVILLE
AND ITS POLICE MANAGEMENT UNIT**

This Memorandum of Understanding (MOU) sets forth the agreement between the City of Watsonville and the City's Police Management Unit (Unit) as to all matters within the scope of representation for the employees of the City represented by the Unit. This MOU is authorized by and made pursuant to Council Resolution and Rules and Regulations adopted pursuant thereto. The and the undersigned on behalf of the Unit hereby agree to jointly recommend to the City Council of the City of Watsonville that one or more Resolutions be adopted effectuating the following changes in benefits and other terms and conditions of employment for all the employees in the Unit. The members of the Unit, by accepting the benefits hereof, agree to be bound by the terms and conditions of this MOU.

This MOU shall become effective July 1, 2025, and shall terminate on June 30, 2028.

All benefits in effect on the date set forth below and not modified by this MOU shall remain in effect for the term of this MOU, except as provided herein.

1.0 COMPENSATION

1.1 Salary Adjustment

Effective the first full pay after July 1, 2025 and after approval by City Council each step in the salary range for all employees shall be increased by a 3.0% cost of living increase.

Effective the first full pay period after July 1, 2026 each step in the salary range for all employees shall be increased by a 3.0% cost of living increase.

Effective the first full pay period after July 1, 2027 each step in the salary range for all employees shall be increased by a 3.0% cost of living increase.

1.2 Equity and Compaction Adjustments

Effective the first full pay after July 1, 2025 and ratification by the Police Management unit City Council approval, classifications listed below will receive the following market equity adjustment:

Police Captain: 2%

Assistant Chief of Police: 0.4%

1.3 **Retirement Contribution**

1.3.1. TIER 1: The following benefits are included in the City's retirement plan for employees hired on or before July 1, 2011:

- (a) 3% at 50 formula.
- (b) Single Highest Year
- (c) 1959 Survivor Benefits Fourth Level: Employee to pay employee contribution, City to pay employer contribution for Fourth Level Benefit.
- (d) Government Code 21222 .1 funded to May 31, 1983.
- (e) Government Code 21222 .2.
- (f) Military Service Credit
- (g) Credit for Unused Sick Leave Section 20862 .8

1.3.2 TIER 2: For employees hired between July 1, 2011 and December 31, 2012 and for Classics members as defined in the California Public Employees' Pension Reform Act of 2013 (PEPRA) and CalPERS guidance, hired after July 1, 2011 the retirement formula shall be 3% at 55 with final compensation based on the average of the highest wages earned in any consecutive 3-year period.

1.3.3 TIER 3: Pursuant to California Public Employee's Pension Reform Act of 2013 (PEPRA) the City shall provide the CalPERS 2.7% at 57 retirement plan for Public Safety employees hired on or after January 1, 2013. Final compensation shall be based on the average of the highest wages earned in any consecutive 3 year period. Public Safety employees subject to PEPRA shall pay at least 50% of normal cost of pension or what is determined by CalPERS to be the employee contribution rate.

1.3.4 Public Safety Employees Retirement Contribution.

Tier 1 and 2: Employees in the Tier 1 and Tier 2 CalPERS retirement plans shall Contribute 9% toward the cost of their retirement plan. Effective in the first full pay period after July 1, 2022, employees will contribute an additional 3% toward the employer cost of their retirement plan, for a total contribution of 12%.

Tier 3: In accordance with PEPRA, the City may not “pick up” any portion of the required member contributions of employees who meet PEPRA’s “new” member definition (Tier 3 employees). All employees in the Tier 3 retirement plan shall pay 12% or one half of the normal cost of the benefit, whichever is greater. If one half of the normal cost of the Tier 3 benefit increases, the Tier 3 employees’ retirement contribution shall also immediately increase by the same amount so that at all times these employees are paying at least half the normal cost of their retirement benefit as required by PEPRA. If one half of the normal cost of the Tier 3

decreases, the Tier 3 employees' retirement contribution shall remain at 12% and any difference between 12% and any difference between 12% and half the normal cost shall be considered an employee "pick up" of the employer contribution.

1.35. Retirement Tax Deferment. The City shall maintain the IRS Sec. 414(h)(2) provision allowing employees to make employee retirement contributions with pretax (tax deferred) dollars.

1.4 Administrative Leave

1.4.1 Exempt Employees assigned to a 40 hour work week shall receive Administrative Leave of 13.5 days (108 hours) per year beginning July 1st. Unused Administrative Leave as of June 30 shall be paid off at the regular rate of pay the succeeding month.

1.4.2 Employer shall pro-rate Administrative Leave up to a maximum of 9 hours per month for new hires and for every month during the fiscal year for which an employee was employed before termination of City service.

1.5 Overtime Pay

Notwithstanding that employees are exempt from the FLSA, upon issuance of a Proclamation of a local emergency by the City Council or the Director of Emergency Services pursuant to Chapter 2 of Title 4 of the Municipal Code, Unit employees are eligible for overtime compensation. Such overtime eligibility shall cease when the City Manager determines that the disaster response has ended.

1.6 Auto Policy

1.6.1 Mileage reimbursement for Unit employees shall be at the Federal IRS allowable reimbursement rate.

1.7 Uniform Allowance

Uniform allowance shall be One Thousand Two Hundred (\$1200.00) Dollars per year for public safety members of the Police Management Unit for the purchase and maintenance of required uniform items and footwear effective the first full pay period after July 1, 2023.

1.8 **Bilingual Pay**

1.8.1 Eligibility for Level I Written and/or Conversational Premium Pay:

In order to receive Level I Written and/or Conversational Bilingual Premium Pay employees proficient in the Spanish language must meet the following criteria:

- (a) The employee must pass the City's bilingual competency test as administered by the Human Resources Department on an annual basis to maintain the premium pay. The City Manager may waive the annual testing requirement for individuals upon recommendation of the Department Head. Annual basis refers to fiscal year; and
- (b) The employee is required to serve as an oral interpreter and provide basic written translations on a regular and on-going basis, as certified by the Department Head

1.8.2 Level I Written and Conversational Premium Pay:

- (a) For employees hired after November 1, 2006 the City shall pay a stipend of \$250/month, pro-rated for part time employees.
- (b) Employees eligible for Level I Premium Pay before November 1, 2006 shall receive premium pay equal to five percent (5%) of his/her base salary as of November 1, 2006, with the premium rounded to the nearest dollar, and exclusive of any retroactive wage increases provided under this agreement. A list of each employee's premium pay under this section will be provided to the Unit. Employees who receive the five percent premium, above, may irrevocably opt into the \$250/month stipend specified in (a) above.

1.8.3 Level I Conversational Only Premium Pay:

- (a) For employees who become eligible and receive Level I Bilingual Conversational Premium Pay on or after July 1, 2013 the City shall pay a stipend of \$75/month, pro-rated for part-time, regular employees.
- (b) Employees currently receiving Level I Written and Conversational Bilingual Premium Pay pursuant to Section 1.8.2 shall continue to receive the premium pay.

1.8.4 Level II Bilingual Translator Premium Pay:

In addition to the Level I stipend for Written and Conversational bilingual competency the City will designate a limited number of staff as Level II Bilingual Translators. Such Level II Bilingual Translators shall perform written translations that are viewed by a large audience of City residents (i.e. City mailers, City Council minutes, inserts in City utility bills, etc.). Level II Bilingual Translators must meet all requirements under Level I prior to applying for Level II consideration.

- (a) Qualified Level II Translators shall receive the Level I stipend as outlined in 1.8.2 (b) and an additional \$100/month.
- (b) To evidence competency as a Level II Translator, employees must pass a skills-based test administered by the City to demonstrate competency in written translation.

1.8.5 Bilingual Pay: Pursuant to Section 1.7 of the MOU, Police Captains appointed to the position of Police Captain after September 9, 2016 shall be subject to the bilingual pay terms outlined in the Management MOU. Police Lieutenants receiving bilingual premium pay equal to five percent (5%) of base salary who are re-classified to Police Captain prior to September 9, 2016 shall receive bilingual pay equal to five percent (5%) of his/her base salary as of August 23, 2016, rounded to the nearest dollar.

1.9 Educational Incentive Pay for Police Captains and Assistant Police Chief

Police Captains shall receive a five percent (5%) differential for the POST Management Certificate. Sergeants promoting to the rank of Captain who were receiving educational incentive pay pursuant to section 16.1 of the Police Mid-Management MOU, shall continue to receive such pay for up to 24 months pending receipt of the POST Management Certificate.

Effective the first full pay period after July 1, 2025 the Assistant Chief of Police shall no longer be eligible for any level of POST certification pay. The equivalent of 2.5% certification pay shall be rolled into the base salary of the Assistant Chief of Police effective the first full pay period after July 1, 2025. Effective the first full pay period after July 1, 2024, employees with a Master's degree from a regionally accredited university shall receive 2.5% on the first full pay period after verification is provided to Human Resources.

1.10 Longevity Pay

Any employee with at least five (5) years of service as a sworn peace officer with the City of Watsonville shall receive two percent (2%) Longevity Pay Premium, and any employee with at least ten (10) years of service as a sworn peace officer with the City of Watsonville shall receive an additional two percent (2%) Longevity Pay Premium, and any employee with at least fifteen (15) years

of service with the City of Watsonville shall receive an additional two and one-half percent (2.5%) Longevity Pay Premium (for a total of six and one-half percent (6.5%) Longevity Pay Premium).

1.11 Deferred Compensation

Employees may participate in the Deferred Compensation Plan currently. Employees must contribute to a deferred compensation plan in order to receive the following matching City contributions. The City will match contributions of up to \$50 per paycheck to the deferred compensation plan offered by the City effective in the first full pay period after July 1, 2023

2.0 INSURANCE

2.1 Health Insurance

2.1.1 The City shall maintain in effect current health insurance coverages for all full-time Unit employees in the competitive and general services.

2.1.2 The City shall contribute the following monthly amounts towards health insurance coverage for full time employees defined above in Section 2.1.1

Per employee	\$1,437.50
--------------	------------

2.1.3 If plan contribution increases are necessary for the 2026, 2027 and 2028 plan years, the City and Employees contribution shall be shared equally, provided that increased City and Employee contributions do not exceed \$45/month per employee. Increases above \$45/month cap are subject to meet and confer process

Should insurance plan changes result in City costs below current costs, the intent of the parties is that the savings shall benefit both the bargaining unit and City equally.

2.1.4 Regular part-time employees will be fully covered at the employee only level at the City's expense. The employee shall have the option of covering additional dependents at their own expense. This shall be determined by utilizing the three tier rate which the City has established for the COBRA and other purposes (less any surcharges). To cover one (1) dependent, the employee will pay the difference between the employee only rate and the employee plus one rate. To cover the family, the employee will pay the difference between the employee only rate and the full family rate under the three tiers.

The decision to cover family members shall be made during a one time election when this provision becomes effective. Thereafter, employees may only add or delete family members in accordance with plan rules.

2.1.5 For any member of the Unit who uses all leave due to illness or injury, which is not a Workers' Compensation claim, the City shall maintain the health insurance coverage and pay the premium on behalf of the member for an additional thirty (30) days.

2.1.6 The City and the employees agree to jointly participate in the City Employees Health Committee (CEHC) as outlined in the bylaws dated July 1992.

2.2 Excess Disability Insurance

2.2.1 In the event of job-related injury or illness, the employee will receive the maximum weekly Workers' Compensation benefit as determined by State law. This does not supersede Workers' Compensation laws relating to Public Safety employees.

2.2.2 In addition to this amount, the employee may receive an appropriate amount of accrued sick leave pay to provide for the difference between the established Workers' Compensation amount and the employee's regular gross pay.

2.2.3 The employee may also receive \$50.00 per week extra disability coverage in lieu of accrued sick leave pay.

2.2.4 In no event shall the combination of Workers' Compensation benefits exceed the regular gross pay of the affected employee.

2.2.5 It shall be the responsibility of the employee to notify the Finance Department within three (3) days of the injury or illness if the extra coverage option described in Section 2.2.3 above is to be implemented.

2.2.6 Absent notification to the contrary, the Finance Department will automatically apply accrued sick leave with the established Workers' Compensation amount to equal the employee's gross pay.

2.2.7 The \$50.00/week excess coverage shall not apply until the seventh (7th) calendar day following injury or illness event.

2.3 Long Term Disability Insurance

The City shall continue paying the Long Term Disability Insurance premium for the Unit members for the term of the agreement.

2.4 Life Insurance

Life insurance coverage is Fifty (\$50,000) Thousand Dollars for all Unit employees and Two Thousand (\$2,000) Dollars per dependents.

3.0 LEAVES

3.1 Vacation Leave

1st year	96 hours
2nd year	104 hours
3rd year	112 hours
4th year	120 hours
5 - 10 years	128 hours
11+ years	176 hours

3.1.1 Employees with more than two (2) times their annual vacation accrual on the books shall bring their accrual within the accrual maximum by December 31, 2017. After one year of service, each employee will be expected to take during each year the vacation to which he/she is entitled. After December 31, 2017, when an employee's vacation balance reaches two times their annual vacation accrual, the employee will not accrue vacation until the vacation balance is below the accrual maximum. If an employee is denied requested vacation due to the needs of the City, the department must send a memo explaining the situation for consideration by the City Manager prior to the employee reaching the maximum accrual. Only the City Manager may grant temporary exceptions to this section in extraordinary circumstances.

On a one-time, non-precedent setting basis due to continual staffing shortages impacting the ability to take vacation, members of the Police Management unit may cash out up to 60 hours of vacation time in the pay period beginning August 16, 2025. Employees wishing to cash out vacation must notify payroll in writing by August 8, 2025 of the number of hours, if any, they desire to cash out.

3.2 Holidays

There shall be fourteen (14) holidays per year as specified below:

January 1 (New Year's Day)
 January 21 (Martin Luther King Day)
 Lincoln's Birthday (Floating holiday)
 Third Monday in February (Washington's Birthday)
 March 31 (Cesar Chavez Day)
 Last Monday in May (Memorial Day)

July Fourth
First Monday in September (Labor Day)
November 11 (Veterans Day)
Thanksgiving Day
Friday following Thanksgiving (in lieu of Election Day)
December 24 (in lieu of Admission Day)
December 25 (Christmas Day)
December 31

Recognized holidays which fall on Saturday shall be observed on the preceding scheduled work day. Recognized holidays which fall on a Sunday shall be observed on the following scheduled work day.

There will be one (1) floating vacation day credited to each employee on Lincoln's Birthday, which may be taken pursuant to the City's leave regulations.

3.3 Sick Leave

3.3.1 Each employee shall accrue sick leave in the amount of one and one quarter (1-1/4) days per month of service (10 hours). Sick leave is payable per City Personnel Rules and Regulations.

The maximum accumulation of unused sick leave is 125 days (1,000 hours). Sick leave accumulated in any calendar year in excess of 125 days (1,000 hours) shall be paid at the rate of 50% of such excess on the first payroll of December. The balance of such unused sick leave is lost and the sick leave accrual is reduced to 125 days (1,000 hours).

3.3.2 Unused sick leave may not be used to delay the date of an employee's disability retirement.

4.0 ENACTMENT

This MOU shall become effective upon ratification by the City Council of the City of Watsonville, and shall remain in full force and effect until June 30, 2028, or until a new MOU has been executed

POLICE MANAGEMENT UNIT

Date 7/1/2025 | 5:36 PM PDT

Signed by:

Radovan Radich

BC09B56BAB1346F...

Radovan Radich, Unit Representative

Signed by:

Michael McKinley

F51A0FDEBB444D6...

Michael McKinley, Unit Representative

Signed by:

Donny Thul

25B9F242E7A64D7...

Donny Thul, Unit Representative

Signed by:

Brian Fulgoni

F8FFE6BE9B93429...

Brian Fulgoni, Unit Representative

Date 7/1/2025 | 6:46 PM PDT

Date 7/1/2025 | 5:41 PM PDT

Date 7/1/2025 | 5:44 PM PDT

CITY OF WATSONVILLE

Date _____

Tamara Vides, City Manager

Date _____

City Attorney

Date _____

City Clerk