

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
OPERATING ENGINEERS  
LOCAL UNION NO. 3  
AND  
THE CITY OF WATSONVILLE  
2025-2028**



# TABLE OF CONTENTS

<b><u>1.0</u></b>	<b><u>COMPENSATION</u></b>	<b><u>3</u></b>
<u>1.1</u>	<u>Salary</u>	<u>3</u>
<u>1.2</u>	<u>Equity and Compaction Adjustments</u>	<u>3</u>
<u>1.3</u>	<u>Overtime</u>	<u>4</u>
<u>1.4</u>	<u>On Call/Call Back Pay</u>	<u>4</u>
<u>1.5</u>	<u>Bilingual Pay</u>	<u>5</u>
<u>1.6</u>	<u>Employee Retirement Contribution</u>	<u>6</u>
<u>1.7</u>	<u>Temporarily Working Out of Classification</u>	<u>7</u>
<u>1.8</u>	<u>Tanker Truck Differential</u>	<u>7</u>
<u>1.9</u>	<u>Certification Pay</u>	<u>7</u>
<u>1.10</u>	<u>Differentials</u>	<u>8</u>
<u>1.10.1</u>	<u>Pesticide Applicator Differential</u>	<u>8</u>
<u>1.10.2</u>	<u>Differential Pay for Temporary Schedule Changes</u>	<u>8</u>
<u>1.11</u>	<u>Longevity Pay</u>	<u>8</u>
<b><u>2.0</u></b>	<b><u>INSURANCE</u></b>	<b><u>9</u></b>
<u>2.1</u>	<u>Health Insurance</u>	<u>9</u>
<u>2.2</u>	<u>Excess Disability Insurance</u>	<u>10</u>
<u>2.3</u>	<u>State Disability Insurance</u>	<u>10</u>
<u>2.4</u>	<u>Life Insurance</u>	<u>10</u>
<b><u>3.0</u></b>	<b><u>LEAVES</u></b>	<b><u>11</u></b>
<u>3.1</u>	<u>Vacation Leave</u>	<u>11</u>
<u>3.2</u>	<u>Maximum Vacation Accrual</u>	<u>11</u>
<u>3.3</u>	<u>Holidays</u>	<u>11</u>
<u>3.4</u>	<u>Sick Leave</u>	<u>12</u>
<u>3.5</u>	<u>Family Care and Medical Leave Policy</u>	<u>13</u>
<b><u>4.0</u></b>	<b><u>RETIREMENT</u></b>	<b><u>14</u></b>
<b><u>5.0</u></b>	<b><u>MANAGEMENT RIGHTS</u></b>	<b><u>15</u></b>
<b><u>6.0</u></b>	<b><u>PEACEFUL PERFORMANCE</u></b>	<b><u>16</u></b>
<b><u>7.0</u></b>	<b><u>AGENCY SHOP</u></b>	<b><u>16</u></b>
<b><u>8.0</u></b>	<b><u>UNION STEWARDS</u></b>	<b><u>17</u></b>
<b><u>9.0</u></b>	<b><u>MISCELLANEOUS</u></b>	<b><u>17</u></b>
<u>9.1</u>	<u>Tool Allowance</u>	<u>17</u>
<u>9.2</u>	<u>Tool Insurance</u>	<u>17</u>
<u>9.3</u>	<u>Tool Purchase</u>	<u>17</u>
<u>9.4</u>	<u>Certificates</u>	<u>17</u>
<u>9.5</u>	<u>New Hires - Notification</u>	<u>17</u>
<u>9.6</u>	<u>Boot Allowance</u>	<u>18</u>
<u>9.7</u>	<u>Passengers in City Vehicles</u>	<u>18</u>
<u>9.8</u>	<u>Uniform Allowance</u>	<u>18</u>
<u>9.9</u>	<u>Mileage</u>	<u>18</u>
<u>9.10</u>	<u>Work Location</u>	<u>18</u>
<u>9.11</u>	<u>Deferred Compensation</u>	<u>19</u>
<u>9.12</u>	<u>Flexible/Alternative Schedules</u>	<u>19</u>
<u>9.13</u>	<u>Notice of Work Schedule Changes</u>	<u>19</u>
<b><u>10.0</u></b>	<b><u>ENACTMENT</u></b>	<b><u>20</u></b>

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
OPERATING ENGINEERS LOCAL UNION NO. 3  
AND  
THE CITY OF WATSONVILLE  
2025-2028**

This Memorandum of Understanding sets forth the agreement between Operating Engineers Local Union No. 3 (OE3) and the City of Watsonville on all matters contained herein for employees of the City of Watsonville in OE3. The parties hereto 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 the salaries, benefits, and other terms and conditions of employment for said employees in OE3.

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

All benefits currently in effect and not modified by this Agreement shall remain in effect for the term of this Agreement, except as provided herein.

**1.0 COMPENSATION**

**1.1 Salary**

Year 1: Effective the first full pay period after July 1, 2025, and ratification by the union and City Council approval, the salary range for all employees shall be increased by a 3% cost of living increase.

Year 2: Effective the first full pay period after July 1, 2026, the salary range for all employees shall be increased by a 3% cost of living increase.

Year 3: Effective the first full pay period after July 1, 2027, the salary range for all employees shall be increased by 3% cost of living increase.

**1.2 Equity and Compaction Adjustments**

Effective the first full pay period after July 1, 2025, and ratification by the union and City Council approval, the following classifications will receive the following equity/compaction adjustments:

- Building Maintenance Worker: 1.9%
- Custodian: 6.7%
- Landfill Equipment Operator I: 5%
- Landfill Equipment Operator II: 5%
- Lead Custodian: 6.7%
- Parking Control Officer: 6.1%

- Police Service Specialist: 1.4%
- Property & Evidence Technician I: 3.6%
- Property & Evidence Technician II: 3.6%
- Property & Evidence Technician III: 3.6%

### 1.3 Overtime

- 1.3.1 Time and one-half will be paid for all overtime over the normal 40-hour work period. Paid time off shall be counted as time worked. Employees working in the City's Solid Waste, Water or Wastewater operation are exempt from this schedule and will work pursuant to the paragraph 1.2.2.
- 1.3.2 Employees of the City's Solid Waste, Water or Wastewater operations will be paid time and one-half for all overtime over the normal 40-hour work period. Any employee ~~of the Solid Waste, Water or Wastewater operations~~ working on a holiday will be paid straight time for the day plus time and one-half for the hours worked on the holiday.
- 1.3.3 In the event that an employee has worked in excess of eight (8) hours on any day(s) of the week up to Friday, the employee may take off the amount of hours which he has worked in excess of forty (40) hours in that work week. This option is available on Fridays and shall occur only with the permission of the supervisor. If the supervisor does not allow the option or if the employee elects not to take time off, the employee shall receive overtime compensation.
- 1.3.4 Employees may maintain a compensatory bank of up to 40 hours. Upon utilization of compensatory time and reducing accruals below the 40 hour limit, employees may earn additional compensatory time off.
- Use of compensatory time off shall be subject to the approval of the Department Head and may not interfere with the efficient operation of any department.
- 1.3.5 Any employee who is mandated to work seven (7) straight days without two days off will receive one and one half (1 1/2) times their regular rate for hours worked on the eighth (8th) day and thereafter until the employee has two days off. This provision does not apply to any employee who voluntarily works an overtime shift or employees who are on-call and report to work.

### 1.4 On Call/Call Back Pay

Covered employees who are required to be on call shall be compensated at the rate of Two Hundred and Eighty Dollars (\$280.00) per week in addition to their regular pay. Covered employees who are called back to work shall receive a minimum of

three (3) hours overtime compensation except when such recall is an extension of their regular workday, either before or after the assigned work period. The three-hour minimum covers all calls completed within the three hour period.

*Daily On-Call:* Employees shall receive \$30/day for daily on-call which shall be assigned when it is anticipated that special circumstances may occur that would require work during periods other than the normal work hours. Such special circumstances include, but are not limited to, forecasts of heavy rains and/or flooding, earthquake and other natural disasters, and special events. Notice regarding the need for on-call status would be given to employees as soon as such need is known but no later than 8 hours prior to the start of the on-call status period. On-Call will first be assigned to volunteers in the classification deemed necessary for the on-call work. If there are insufficient volunteers, daily on-call will be assigned in inverse order of seniority.

## 1.5 Bilingual Pay

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

- (a) Employee passes 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 the fiscal year; and
- (b) The employee is required to serve as an oral interpreter and/or provide basic written translations on a regular and on-going basis, as certified by the Department Head.

### 1.5.1 Level I Written and Conversational Premium Pay:

- (a) Employees proficient in the Spanish Language shall receive premium pay equal to five (5%) percent of base salary, as of November 1, 2006.
- (b) For employees hired after November 1, 2006, the City shall pay a stipend of \$250/month for employees eligible for Level I Written and Conversational Bilingual Premium Pay. Employees who receive the 5% may irrevocably opt into the \$250/month stipend.

### 1.5.2 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 1.4.1 shall continue to receive the premium pay.

### 1.5.3 Level II 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.)

- (a) Level II Translators shall receive 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.

### 1.5.4 Testing:

The City will provide a Level I and Level II bilingual test to interested and eligible members of this unit, within 60 days of the ratification and approval of this contract by City Council.

## 1.6 Employee Retirement Contribution

- 1.6.1 The City agrees to contribute to the California Public Employees' Retirement System (CalPERS) on behalf of each employee, seven (7%) percent of the employee's compensation upon which retirement contributions are calculated (hereinafter "7%"). Effective the first pay period in January 2007 following City Council approval the City contribution shall be reduced to four (4%) percent of the employee's compensation. Said contributions shall be considered deferred compensation, not salary, and shall be credited to the employee's retirement account. Any future income tax obligation resulting from these contributions shall be the exclusive responsibility of the employee. In the event the Internal Revenue Service shall change its current position and determine that such contributions constitute salary, not deferred compensation, any resulting tax obligations shall be the exclusive responsibility of the employee and the City shall not be held responsible therefore.

Effective the first full pay period after July 1, 2013, each employee agrees to contribute an additional – four percent (4%) of compensation towards the employee share of retirement contribution. Therefore, the employee will pay the full seven percent (7%) of the employee share effective the first full pay period on or after July 1, 2013.

- 1.6.2 Pursuant to California Public Employees' Pension Reform Act of 2013 (PEPRA), employees hired on or after January 1, 2013 shall pay at least 50% of normal cost of pension or what is determined by CalPERS to be

the employee contribution rate.

#### 1.6.3 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.

#### 1.7 Temporarily Working Out of Classification

In every City department subordinate employees are expected to act as relief for their superiors. Employees also may be assigned to a higher classification which is vacant due to the absence or resignation of another employee. This provides training opportunities to help qualify employees to successfully compete for future promotion. Acting as relief for a lengthy period, however, should be recognized by added compensation since a higher level of continuing responsibility is involved.

*Procedure.* With prior management approval whenever a subordinate employee acts as relief and must perform substantially higher duties for a superior for more than fifteen (15) cumulative eight-hour working days in a fiscal year, an appropriate salary adjustment shall be made pursuant to these rules. Individuals working out of class as landfill operators will receive working out of class pay beginning on the 6<sup>th</sup> cumulative day working at the landfill in any fiscal year.

The salary adjustment shall become effective on the 16th day of the temporary assignment and shall not be retroactive. Upon returning to the responsibility of his/her normal position, salary shall be returned to the normal level.

Compensation for work out of classification will be the lowest step in the higher salary range with pay which provides a minimum increase of five (5%) percent above the normal rate of pay for the employee.

#### 1.8 Tanker Truck Differential

Integrated Waste Workers will receive 5% in addition to their base pay for any shift in which all or part of the shift is spent driving the tanker truck.

#### 1.9 Certification Pay

The City and OE3 agree to Meet-and-Confer on creating new criteria for Certification Pay within sixty days (60) after ratification of this agreement. As part of this Meet-and-Confer, the City agrees to create criteria for compensating certification testing of Wastewater Operators. If no agreement is reached, Section 1.8 shall remain in effect.

Any incumbent who obtains a certification in a grade above that required for the incumbent's certification level will receive \$50/month per additional certification level up to a maximum of \$100/month. For purposes of these higher than required

certification levels discussed in this paragraph, the following job classifications will be added to those who are eligible to receive this additional certification pay:

- Collection System Operators
- Equipment Mechanics
- Park Maintenance Workers
- Resource Waste Advocates
- Senior Water Operator
- Utilities Maintenance Mechanics
- Utility Workers
- Waste and Recycling Center Workers
- Wastewater Operators ~~I/H~~
- Water Operators I
- Water Quality Chemist
- Water Quality Laboratory Technician

The City Manager and Department Head shall have the discretion to designate additional classifications eligible to receive certification pay and to designate the type of eligible certification.

Certification pay will become effective the first full pay period after proof of certification is received by Human Resources.

#### 1.10 Differentials

##### 1.10.1 Pesticide Applicator Differential

Any Parks Maintenance Worker that possesses a valid Qualified Applicator Certificate or License (QAC/QAL) in Landscape Maintenance Category B shall receive a 3% differential in the first full pay period after submitting certificate verification.

##### 1.10.2 Differential Pay for Temporary Schedule Changes

Employees who are temporary required to work a schedule other than their regular assignment that results in working more than four (4) hours during the hours of six (6) p.m. to six (6) a.m. for more than five (5) working days, shall receive an additional 5% differential for the duration of the assignment.

#### 1.11 Longevity Pay

Any employee with at least ten (10) years as a regular, benefitted Watsonville employee shall receive a one percent (1%) Longevity Pay Premium. Any employee with at least fifteen (15) years as a regular, benefitted Watsonville employee shall receive an additional one-half percent (.5%) Longevity Pay Premium. Longevity pay will become effective the first full pay period after ratification of the MOU by both the Union and City.



## 2.0 INSURANCE

### 2.1 Health Insurance

- 2.1.1 The City shall retain in effect current health insurance coverages for all Unit employees. The City shall contribute the following monthly amounts for each employee towards health insurance coverages:

January 1, 2025	\$1,437.50
-----------------	------------

- 2.1.2 If contribution increases are necessary for the 2026, 2027 and 2028, plan years, the City and Employee contribution shall be shared equally, provided that increased City and Employee contributions do not exceed \$45/month per employee.

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.

- 2.1.3 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.

Regular part-time employees employed on or before December 1, 1998, in the thirty (30) hour category, shall continue to receive full health insurance benefits.

- 2.1.4 For any member of the Unit who expires 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.
- 2.1.5 The Unit agrees to participate jointly with the City and other employee groups in review of insurance coverages during the term of this agreement. Upon health insurance committee recommendations to change or modify

insurance coverages; the parties agree to reopen negotiations on this issue only.

## 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.
- 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 Fifty Dollars (\$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 Fifty Dollars (\$50) per week excess coverage shall not apply until the seventh (7th) calendar day following the injury or illness event.

## 2.3 State Disability Insurance

Unit members participate in the State Disability Insurance Program at their own expense. Unit members shall not be required to exhaust paid leave prior to receiving State Disability Insurance payments. State Disability Insurance payments shall be integrated with existing paid leave, however, so that employee's net pay does not increase when receiving SDI.

## 2.4 Life Insurance

The City shall continue in effect the Fifty Thousand Dollars (\$50,000) per employee and Two Thousand (\$2,000) Dollars per dependent life insurance policy for the term of this Agreement.

### 3.0 LEAVES

#### 3.1 Vacation Leave

Each employee shall accrue vacation as specified below:

0 through 5 years of service	-	12 days per year
6 through 12 years of service	-	16 days per year
13 or more years of service	-	20 days per year

#### 3.2 Maximum Vacation Accrual

Maximum vacation accrual shall be no more than two (2) times an employees' annual vacation amount.

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.

#### 3.3 Holidays

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

January 1 (New Year's Day)  
 Third Monday in January (Martin Luther King's Birthday)  
 Lincoln's Birthday (Floating holiday)  
 Third Monday in February (Washington's Birthday)  
 March 31, known as "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.

3.3.1 Waste Water employees working continuous shifts shall receive premium compensation on the actual holiday; not the City observed holiday.

3.3.2 When a holiday falls on a Saturday or Sunday and is observed on the day before or day after, those employees working an alternative schedule, which includes the holiday and the observed day, will receive one and one-half (1 1/2) times their regular rate of pay for the hours worked on the observed day and will receive regular pay on the holiday.

### 3.4 Sick Leave

3.4.1 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 only in the cases of bona fide illness or injury.

3.4.2 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 in December. The balance of such unused sick leave is lost and the sick leave accrual is reduced to 125 days (1,000 hours).

3.4.3 Employees shall cease accruing sick leave after eighty (80) consecutive hours on paid sick leave.

3.4.4 In the event of an illness in the immediate family, an employee shall be granted accrued sick leave not to exceed one half of the employee's annually accrued sick leave. For the purposes of this section, immediate family shall include: a child, which means a biological, adopted, or foster child, stepchild, legal ward, or a child to whom the employee stands in loco parentis, a biological, adoptive, or foster parent, stepparent, or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood in loco parentis when the employee was a minor child, a spouse, a registered domestic partner, a grandparent, a grandchild, or a sibling.

Where unusually close ties exist, the department may determine other relationships to be included in the definition on a case-by-case basis.

3.4.5 In case of death in the immediate family an employee may be granted accrued sick leave not to exceed three (3) days. In cases involving out-of-state funerals, an additional two (2) days may be granted. Additional time off for this purpose must be vacation, C.T.O., or unpaid leave. Bereavement leave must be approved by the Department head.

### 3.5 Family Care and Medical Leave Policy

3.5.1 In accordance with the Federal Family and Medical Leave Act (FMLA) and the California Family Rights Act (CFRA), the City of Watsonville (City) will provide unpaid family and medical care leave for eligible employees for up to 12 weeks per 12-month period for the following reasons only:

- a. The birth of a child or to care for a newborn of an employee;
- b. The placement of a child with an employee in connection with the adoption or foster care of a child;
- c. Leave to care for a child, parent or spouse who has a serious health condition; or
- d. Leave because of a serious health condition that makes the employee unable to perform the functions of his/her position.
- e. A qualifying exigency arising out of the fact that an employee's spouse, domestic partner, child or parent is on active military duty or have been notified of an impending order to active duty.

An eligible employee is entitled to up to twenty-six (26) workweeks of military caregiver leave during a single twelve (12) month period. The twelve (12) month period begins on the first day the employee takes leave and ends twelve (12) months after that date. Unlike other types of family medical leave, military caregiver leave is a one-time entitlement only; it does not renew annually. This leave entitlement does not increase the amount of leave an employee may take for other FMLA/CFRA qualifying reasons during the single 12-month period. For example, an employee may combine military caregiver leave with other types of family medical leave during a single 12-month period. However, the employee is limited to taking a maximum of twenty-six (26) weeks of leave in such circumstances.

Military caregiver leave is to care for a military service member who is undergoing treatment for a serious injury or illness incurred in the line of active duty, or a veteran who is being treated for a serious injury or illness that occurred in the line of active duty during the five years preceding the date of treatment, if the employee is the spouse, domestic partner, child, parent or next of kin of the service member ("Military Caregiver Leave").

When applicable, an eligible family member may take the qualifying exigency leave up to a maximum of fifteen (15) days to match a military member's Rest and Recuperation leave orders.

3.5.2 An employee is eligible for leave if the employee:

- a. Has been employed for at least 12 months; and

- b. Has been employed for at least 1,250 hours during the 12-month period immediately preceding the commencement of the leave,

3.5.3 If an employee requests leave for any reason permitted under this policy, he/she must exhaust all accrued leaves (except sick leave) in connection with the leave. The exhaustion of accrued leave will run concurrently with the leave under this policy.

If an employee requests leave for his/her own serious health condition, in addition to exhausting accrued leave, the employee must also exhaust accrued sick leave. Workers compensation disability leave will run concurrently with family leave.

3.5.4 This section provides a benefit summary only. For further information, refer to the City's Administrative Rule on this subject.

## 4.0 RETIREMENT

### 4.1 Retirement Plan

The City shall provide the CalPERS 2% at 55 retirement plan for Unit employees hired before July 1, 2011. The City shall continue in effect the current options including CalPERS Section 20862.8 - Credit for Unused Sick Leave.

### 4.2 Two Tier Retirement Plan

The City shall provide the CalPERS 2% @ 60 retirement plan for Unit employees hired on or after July 1, 2011 or upon effective date of CalPERS contract amendment including CalPERS Section 20862.8 - Credit for Unused Sick Leave. Final compensation for employees hired on or after July 1, 2011 will be based on the average of the highest wages earned in any consecutive 3-year period.

### 4.3 PEPRA Tier Retirement Plan

Pursuant to California Public Employees' Pension Reform Act of 2013 (PEPRA), the City shall provide the following CalPERS retirement plan for employees and non-Classics hired on or after January 1, 2013 or as soon as administratively possible:

- (a) 2% at 62 formula
- (b) Final compensation based the average of the highest wages earned in any consecutive 3-year period

Pursuant to PEPRA, employees hired on or after January 1, 2013 shall pay at least 50% of normal cost of pension or what is determined by CalPERS to be the employee contribution rate.

## 5.0 MANAGEMENT RIGHTS

All City rights, under state law and charter, and all City rights which existed prior to the recognition of the Operating Engineers Local Union No. 3 shall remain vested with the City, unless expressly abridged by the M.O.U. These rights include, but are not limited to:

- the exclusive right to determine the mission of its constituent departments, commissions, boards;
- set standards and levels of service;
- determine the procedures and standards of selection for employment and promotions;
- direct its employees;
- establish and enforce dress and grooming standards;
- determine the methods and means to relieve its employees from duty because of lack of work or other lawful reasons;
- maintain the efficiency of governmental operations;
- determine the methods, means and numbers and kinds of personnel by which government operations are to be conducted;
- determine the content and intent of job classifications;
- determine methods of financing;
- determine style and/or types of City-issued wearing apparel, equipment or technology to be used;
- determine and/or change the facilities, methods, technology, means, organizational structure and size and composition of the work force and allocate and assign work by which the City operations are to be conducted;
- determine and change the number of locations, relocations and types of operations, processes and materials to be used in carrying out all City functions including, but not limited to, the right to contract for or subcontract any work or operations of the City;
- to assign work to and schedule employees in accordance with requirements as determined by the City and to establish and change work schedules and assignments upon reasonable notice;
- establish and modify productivity and performance programs and standards;

- discharge, suspend, demote, reprimand, withhold salary increases and benefits, or otherwise discipline employees in accordance with applicable law;
- establish employee performance standards including, but not limited to, quality and quantity standards, and to require compliance therewith;
- take all necessary actions to carry out its mission in emergencies; and
- exercise complete control and discretion over its organization and the technology of performing its work.

The exercise by the City through its Council and management representatives of its rights hereunder shall not in any way, directly or indirectly, be subject to the recognized grievance procedure.

The City Manager and Department Heads have and will continue to retain exclusive decision making authority on matters not officially and expressly modified by specific provisions of this M.O.U.

In the exercise of the rights set forth in Section 5.0, the City has the right to make reasonable rules and regulations.

## **6.0 PEACEFUL PERFORMANCE**

During the life of this Agreement, Unit employees shall not engage in any work stoppages, strikes, slowdowns, or boycott picketing. No lock-out shall be made by the City.

In the event that any employee covered by this Agreement, individually or collectively, violates the provisions of this section, the Union shall make a good faith effort to stop such violations of this section.

## **7.0 AGENCY SHOP**

Represented employees have voted to provide for an agency shop provision. Union employees shall either join the Union or pay a service fee reflecting the cost of representation.

The City and Union agree:

- (1) The Union will indemnify and hold the City harmless from any and all liability arising out of the implementation and administration of the Agency Shop provision, should it be implemented.
- (2) The Union shall be responsible for enforcing the provisions of this section using appropriate civil procedures. The City is not responsible for disciplining employees for violation of this section.



The Union agrees to adhere to all statutory and judicial requirements, and to maintain an appropriate complaint procedure. The Union shall also establish alternative procedures for employees who are members of bona fide religion, body, or sect which has historically held conscientious objections to joining or financially support any public employee organization, to make alternative charitable contributions in accordance with Government Code Section 3502.5.

## **8.0 UNION STEWARDS**

Operating Engineers Local Union No. 3 may designate up to four (4) employees as Union Stewards. The Union will notify the City Personnel Officer of any changes to the stewards. Stewards are responsible for assisting members in resolving disputes regarding disciplinary matters and interpretations of the MOU, providing representation during disciplinary matters upon request, maintaining bulletin boards approved for Union notices and notifying members of Union meetings. At no time shall both stewards be released to handle the same matter. Stewards shall attend meetings as authorized by the City that require Union attendance. An additional member of the bargaining unit will be designated to participate in the Health Care Committee, and shall attend all meetings of that Committee.

## **9.0 MISCELLANEOUS**

### **9.1 Tool Allowance**

The City shall provide Equipment Mechanics with a Two Thousand Dollars (\$2,000) per fiscal year reimbursable tool allowance. The allowance is reimbursable upon approval of the supervisor

### **9.2 Tool Insurance**

The City shall continue to provide tool insurance for Unit personnel employed at the Municipal Service Center for the term of this Agreement.

### **9.3 Tool Purchase**

The City shall allow Vehicle mechanics to purchase required tools through the City at City prices as long as the relationship with Snap-On Tools industrial accounts is continued.

### **9.4 Certificates**

Water Treatment Personnel and Wastewater Treatment Personnel who are required to possess specified certificates by State or Federal requirements will be provided the required training at City expense.

### **9.5 New Hires - Notification**

The City will provide notification to the Union when new employees are hired into the Unit.

## 9.6 Boot Allowance

- 9.6.1 Field employees required to wear work boots shall be allowed an annual reimbursement of two hundred dollars (\$200.00) per fiscal year towards the purchase of approved safety boots/shoes. Payment shall be made on a reimbursement basis upon proof of purchase. Once purchased, the approved safety boots/shoes must be worn while on the job. Boots/shoes may be worn during regular work hours only (including to and from work).
- 9.6.2 In those departments/divisions where steel toed or equivalent work boots are required, the annual reimbursement amount shall be two hundred and fifty dollars (\$250.00) per fiscal year towards the purchase of the approved steel toed safety boots/shoes.
- 9.6.3 Upon request and with approval of the Department Head, employees that receive a boot allowance may receive up to a total of two pairs of boots annually. The Department Head shall not deny a request for a second pair of boots if any reasonable justification is provided for two pair of boots.

## 9.7 Passengers in City Vehicles

City Vehicles are not intended to provide transportation except for official City purposes. Transporting of passengers other than for City business is restricted to emergency situations. City vehicles as used in this section shall be interpreted as including any City equipment. This is not intended to prevent passengers in the authorized use of passenger vehicles which are permanently assigned on a 24-hour basis.

## 9.8 Uniform Allowance

The uniform allowance for those required to wear a uniform that is not provided by the City shall be four hundred and seventy five (\$475) per year. Police Service Specialists (PSS) and Parking Control Officers the uniform allowance shall be eight hundred dollars (\$800) per year.

## 9.9 Mileage

The City shall utilize the IRS rate for mileage reimbursement.

## 9.10 Work Location

When required to report for work at locations other than the MSC, employees will be provided access to appropriate alternate changing, storage, drinking and toilet facilities.

#### 9.11 Deferred Compensation

Members of this Unit may participate in the Deferred Compensation Plan currently in effect.

By the first full pay period after September 1, 2022, the City will match up to \$25.00 per pay check of an employee contribution. Under no circumstances, will the City contribute more than \$25.00 per pay check for any employee from September 1, 2022 through July 2023. If the employee does not contribute, the City will still automatically contribute \$10.00 per pay check for the employee who voluntarily enrolls.

On the first full pay period after July 1, 2023, the City will match up to \$50.00 per pay check of an employee contribution. Under no circumstances, will the City contribute more than \$50.00 per pay check for any employee. If the employee does not contribute, the City will still automatically contribute \$25.00 per pay check for the employee who voluntarily enrolls.

#### 9.12 Flexible/Alternative Schedules

The City acknowledges that there may be benefits both to the City and to the employees in alternative schedules. Employees may request that their Department Heads consider alternative scheduling of their work. Examples of alternate schedules include flex time, job sharing, voluntary reduced work hours, and alternate work schedules.

Employees on flexible/alternate schedules shall continue to accrue time on the standard 8-hour day. Accrued leaves shall be charged based on the number of hours missed due to their flexible schedule.

If necessary for implementation of flexible/alternate schedules, an employee(s) may have a special FLSA seven (7) day work cycle established. Once established, the work schedule shall not be changed on a frequent or routine basis.

#### 9.13 Notice of Work Schedule Changes

Except in the event of an emergency, all employees shall receive two weeks advance notice of any change in their regular schedule.

#### 9.14 Health Savings Account

The City will work to establish a retiree Health Savings Account and will meet and confer with the unit regarding the potential benefit structure prior to implementation.

## 10.0 ENACTMENT

This Agreement 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 Agreement has been executed. The parties agree to begin negotiations on a successor agreement no later than May 15, 2028.

### OPERATING ENGINEERS LOCAL UNION NO. 3

Signed by:  
  
Michael Moore, OE3 Business Representative

Date: 7/3/2025 | 9:53 AM PDT

Irma Haas, Employee Representative

Cory Miyabara, Employee Representative

Signed by:  
  
Joaquin Vasquez, Employee Representative

Cheyne Barba, Employee Representative

### CITY OF WATSONVILLE

Tamara Vides, City Manager Pro Tempore

Date: \_\_\_\_\_

City Attorney

Date: \_\_\_\_\_

City Clerk

Date: \_\_\_\_\_