

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE MUNICIPAL RELATIONS OFFICER  
OF THE CITY OF WATSONVILLE AND  
ITS MANAGEMENT UNIT  
2021-2023**



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**MEMORANDUM OF UNDERSTANDING  
BETWEEN THE MUNICIPAL RELATIONS OFFICER  
OF THE CITY OF WATSONVILLE AND ITS MANAGEMENT UNIT**

This Memorandum of Understanding (MOU) sets forth the agreement between the Municipal Relations Officer of the City of Watsonville (MRO) and the City's 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 56-08 (CM) adopted April 8, 2008 and Rules and Regulations adopted pursuant thereto. The MRO 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, 2021, and shall terminate on June 30, 2023.

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 beginning of the first full period after July 1, 2021 and ratification by Management Unit and City Council approval, each step in the salary range for allemployees shall be increased by 2.5% cost of living increase.

Effective the first full period after July 1, 2022, each step in the salary range for all employees shall be increased by 2.5% cost of living increase.

**One Time Pandemic Relief**

On the first full pay period after City Council approval and unit ratification, all Management members shall receive a \$1000 one-time payment in recognition of the unique workplace challenges brought upon by the pandemic. For employees hired after April 1, 2020 this one-time payment will be pro-rated by months of service.

The City will continue to strive to maintain competitiveness in the labor market. From time to time when practical and appropriate, the City will conduct a compensation study. Upon initiation of a study, the City will meet and confer with Management over the survey agencies and data elements to be included.

## **1.2 Retirement Contribution**

- 1.2.1 **Miscellaneous Employees Retirement Plan.** The City provides the California Public Employees' Retirement System (CalPERS) 2% @ 55 retirement program plan for Miscellaneous employees hired before July 1, 2011, including CalPERS Section 20862.8 - Credit for Unused Sick Leave.
- 1.2.2 **Miscellaneous Employees Two-Tier Retirement Plan.** The City shall provide the CalPERS 2% @ 60 retirement program plan for Miscellaneous 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.
- 1.2.3 **Miscellaneous Employees PEPRA Tier Retirement Plan.** Pursuant to California Public Employees' Pension Reform Act of 2013 (PEPRA), the City shall provide the CalPERS 2% at 62 retirement plan for Miscellaneous employees hired on or after January 1, 2013 or as soon as administratively possible. Final compensation will be based on the average of the highest wages earned in any consecutive 3-year period.
- 1.2.4 **Miscellaneous Employees Retirement Contribution.** Effective the first full pay period after July 1, 2013 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.
- 1.2.5 **Miscellaneous Employees PEPRA Retirement Contribution.** Pursuant to California Public Employees' Pension Reform Act of 2013 (PEPRA), Miscellaneous 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.
- 1.2.6 **Public Safety Employees Retirement Plan.** Public Safety members of the Management Unit hired prior to July 1, 2011 shall be subject to the same CalPERS retirement program plan provisions outlined in the appropriate public safety bargaining unit MOU.
- 1.2.7 **Public Safety Employees Two-Tier Retirement Plan.** Public Safety members of the Management Unit hired on or after July 1, 2011 shall be subject to the same Two-Tier CalPERS retirement program plan provisions outlined in the appropriate public safety bargaining unit MOU.

1.2.8 **Public Safety Employees PEPRA Tier Retirement Plan.** Pursuant to California Public Employees' 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 or as soon as administratively possible. Final compensation will be based on the average of the highest wages earned in any consecutive 3-year period.

1.2.9 **Public Safety Employees Retirement Contribution.** The City agrees to contribute to CalPERS on behalf of each Public Safety employee, nine percent (9%) of the employee's compensation upon which retirement contributions are calculated (hereinafter "9%"). Effective the first full payroll period beginning after January 1, 2007 the City contribution shall be reduced to six percent (6%) of the employee's compensation.

Effective the first full pay period on or after July 1, 2013, each Public Safety employee will pay the full nine percent (9%) of the employee share effective the first full pay period on or after July 1, 2013.

1.2.10 **Public Safety Employees PEPRA Retirement Contribution.** Pursuant to California Public Employees' Pension Reform Act of 2013 (PEPRA), Public Safety 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.

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

### 1.3 **Administrative Leave**

1.3.1 Current employees 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.

1.3.2 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.

### 1.4 **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.

## **1.5 Auto Policy**

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

## **1.6 Uniform Allowance**

Uniform allowance shall be -Seven Hundred (\$700.00) Dollars per year for public safety members of the Management Unit for the purchase and maintenance of required uniform items and footwear.

## **1.7 Bilingual Pay**

1.7.1 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

1.7.2 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.

### 1.7.3 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.

### 1.7.4 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.

**1.7.5 Bilingual Pay:** Pursuant to Section 1.8 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.

## **1.8 Notary Pay**

Employees authorized by their department head to act as a notary for official City business shall receive an additional seventy-five (\$75) dollars per month pay. This provision will become effective on the payroll period with a beginning date on or after July 1, 2013.

## 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	\$1,189.78
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2.1.3 If plan contribution increases are necessary for the 2020 and 2021 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	12 days
2nd year	13 days
3rd year	14 days
4th year	15 days

5 - 10 years	16 days
11+ years	20 days

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.

### **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.

- 3.3.3 The classification of Division Fire Chief shall be subject to the 40 hour a week Sick Leave accrual provisions described in Section 3.3.1. Employees in the classification of Division Fire Chief will receive and be subject to the maximum accumulation of unused sick leave of 1,500 hours. Sick leave accumulated in excess of 1,500 hours shall be paid at the rate of 50% of such excess at the end of each calendar year. The balance of such unused sick leave is lost and the sick leave accrual is thereby reduced to 1,500 hours at January 1 of each year. 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, 2023, or until a new MOU has been executed

***MANAGEMENT UNIT***

Date \_\_\_\_\_  
Mindy Esqueda, Unit Representative

Date \_\_\_\_\_  
Angela Paz, Unit Representative

Date \_\_\_\_\_  
Lola Maldonado, Unit Representative

***CITY OF WATSONVILLE***

Date \_\_\_\_\_  
Matthew D. Huffaker, City Manager

Date \_\_\_\_\_  
City Attorney

Date \_\_\_\_\_  
City Clerk