

RESOLUTION NO. 88-17 (CM)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE RATIFYING A MEMORANDUM OF UNDERSTANDING BETWEEN THE MUNICIPAL EMPLOYEE RELATIONS OFFICER OF THE CITY AND THE MANAGEMENT UNIT FOR FISCAL YEARS 2017-2019

WHEREAS, the delegate of the City of Watsonville Municipal Employee Relations Officer and the Management Unit, in accordance with provisions of the Milias-Myers-Brown Act (Section 3500 et seq. of the Government Code), City of Watsonville's Resolution No. 56-08 (CM), and City of Watsonville Administrative Rule V.1.1., met and conferred in good faith with reference to the matters set forth in a Memorandum of Understanding, a copy of which is attached hereto and incorporated herein by reference; and

WHEREAS, the Council of the City of Watsonville after reviewing the Memorandum of Understanding hereby determines to ratify the Memorandum of Understanding.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WATSONVILLE, CALIFORNIA, AS FOLLOWS:

That the Memorandum of Understanding between the Municipal Employee Relations Officer and the Management Unit, attached hereto marked Exhibit "A," and incorporated herein by this reference, is hereby ratified for the fiscal year July 1, 2017, to June 30, 2018; and July 1, 2018 to June 30, 2019 or until a new agreement has been executed.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Watsonville, held on the 27th day of June, 2017, by Mayor Pro Tempore Hurst, who moved its adoption, which motion being duly seconded by Member Dutra, was upon roll call carried and the resolution adopted by the following vote:

AYES: COUNCIL MEMBERS: **Bilicich, Coffman-Gomez, Dutra, Garcia, Hernandez, Hurst, Rios**

NOES: COUNCIL MEMBERS: **None**

ABSENT: COUNCIL MEMBERS: **None**


Oscar Rios, Mayor

ATTEST:

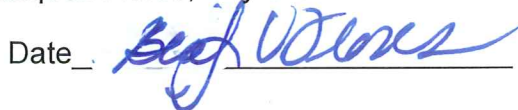

City Clerk

APPROVED AS TO FORM:


City Attorney

I, Beatriz Vázquez Flores, City Clerk of the City of Watsonville, do hereby certify that the foregoing Resolution No. 88-17 (CM) was duly and regularly passed and adopted by the Watsonville City Council at a meeting thereof held on the 27th day of June, 2017, and that the foregoing is a full, true and correct copy of said Resolution.


Beatriz Vázquez Flores, City Clerk

Date 

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE MUNICIPAL RELATIONS OFFICER
OF THE CITY OF WATSONVILLE AND
ITS MANAGEMENT UNIT
2017-2019**



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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, 2017, and shall terminate on June 30, 2019.

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

1.0 COMPENSATION

1.1 Salary Adjustment

1.1 Effective the first full pay period on or after July 1, 2017, salaries shall be increased by 3.0%.

Effective the first full pay period on or after July 1, 2018, salaries shall be increased by 2.0%.

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.** The City agrees to contribute to the CalPERS on behalf of each Miscellaneous employee in the Unit, seven percent (7%) of the employee's compensation upon which retirement contributions are calculated (hereinafter "7%"). Effective the first full payroll period beginning after January 1, 2007 the City contribution shall be reduced to four percent (4%) of the employee's compensation.

Effective the first full pay period after July 1, 2013, each Miscellaneous 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.

1.2.5 **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 agrees to contribute an additional six percent (6%) of compensation towards the employee share of retirement contribution. Therefore, the 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 11 days 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 7.33 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

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

1.6 Department Heads - At-Will Status and Severance Pay

1.6.1 As provided in Section 1001 of the City Charter, the City Manager, City Clerk, City Attorney, and each Department head are in the general service (i.e. at-will). Section 800 of the City Charter provides that the City Council shall establish by ordinance, not inconsistent with the Charter for the organization, conduct and operation of several offices, departments, and other agencies of the City. Section 800 goes on to provide that the City Council may also by ordinance establish additional departments and/or alter or abolish existing departments and/or assign and reassign duties and responsibilities to departments.

For purposes of this MOU, general service or at-will status shall mean the right to terminate the employment relationship for any reason, with or without cause, with or without notice, without further obligation or liability except for the severance pay provided under Section 1.6.2 of this MOU. This provision supersedes any contrary oral agreements between the City and any Unit employee identified below.

The City need not state reasons for release of such identified at-will or general service employees, and such employees have no right or expectation to have release or post-release proceedings, hearings, or appeals, except persons subject to the Public Safety Officer Procedural Bill of Rights (Govt. Code Section 3300 et seq). Specifically, the Chief of Police shall be afforded the protections of subdivision (c) of Section 3304 of the Government Code.

As of the date of this MOU, the following positions are at-will and subject to general service. These employees have no right to return to employment in a former position or a right to employment in a former position, or a right to employment in any other position within the City by reason of their employment status:

Director of the Department of Community Development
Director of the Department of Finance
Director of the Department of Redevelopment and Housing
Director of the Library

Director of the Department of Parks and Community Services
Director of the Department of Public Works and Utilities
Assistant City Manager
Deputy City Manager
Fire Chief
Police Chief

No statement, whether oral or written, or conduct may change such status, except a formal resolution of the Council resolved at a duly held meeting adopting a change of the terms of this MOU. Apart from the Council at a duly noticed meeting no person employed by the City has the authority to modify the at-will or general service status of such of head of department employees. If additional positions are sought to be added to this list, the City and the Unit will jointly review and agree to the addition of that position however no positions shall be added to at-will general services except by written agreement.

- 1.6.2 Such at-will general service employees shall be entitled to receive three months severance pay if involuntarily terminated by the City. Excluded from the severance pay provision are terminations for illegal activities, gross malfeasance or dereliction of duties or absence from employment without a good cause.

1.7 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.

1.8 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 1.8 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.

1.9 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.

1.10 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.

The Assistant Chief of Police shall receive a two and one half percent (2.5%) differential for obtaining a POST Executive Certificate (or equivalent as determined by the Police Chief). No educational pay is received by the Assistant Chief of Police for the POST Management Certificate.

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 \$1,134.28

2.1.3 If plan contribution increases are necessary for the 2018 and 2019 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

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 (in lieu of Columbus Day)

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, 2019, or until a new MOU has been executed

MANAGEMENT UNIT

Date 6/23/17



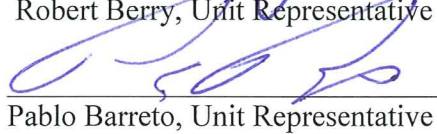
Doug Mattos, Unit Representative

Date 6/23/17



Robert Berry, Unit Representative

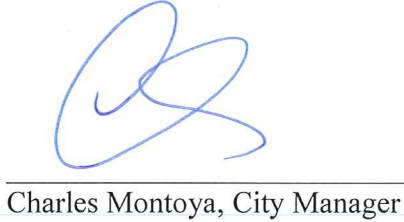
Date 6/23/17



Pablo Barreto, Unit Representative

CITY OF WATSONVILLE

Date 7/5/17



Charles Montoya, City Manager

APPEARED AS TO FORM

WATSONVILLE CITY ATTORNEY

DATED: 6-30-17

ATTEST:

