

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE
POLICE CAPTAINS AND CITY OF CAPITOLA
PERIOD RATIFICATION – 6/30/2024**

This Memorandum of Understanding (MOU) shall become effective upon ratification by the Police Captains (Employees) and approval by the City of Capitola City Council. This MOU shall be in effect from ratification to June 30, 2024.

In recognition of the need to prevent compaction between the Captains and the Police Officer Association (POA) employees, the Captains shall not receive less than the cost of living adjustments received by the Police Officers Association for any given year under consideration. Should an increase of the POA cost of living be more than the Captains salary adjustment for that contract year, the Captain's salary shall be adjusted by the increased amount and such adjustment shall occur at the time the POA adjustment is implemented. It also is the City's goal to maintain a minimum 15% differential in compensation between a top step Sergeant and a top step Captain taking into account salary, education incentive pay, shift differential and longevity pay.

1. Personnel Rules

The Personnel Rules and Regulations of the City of Capitola, existing or hereafter adopted, are not altered, changed or modified unless by explicit provisions of this MOU.

2. Salary

A. Attached hereto is a salary schedule applicable to Police Captains.

B. Except as provided in Section 3, Employee's monthly salary shall be as shown on the attached schedule. "Salary" does not include, and is in addition to: flex plan, PERS, or other benefits to which Employee is entitled.

C. Pay Increase Schedule

Effective upon ratification of the MOU and Council approval of the successor MOU in accordance with the Brown Act, the salary range for each classification in this Unit shall be readjusted by 3.0%.

Effective the first full pay period of July 2022, the salary range for each classification in this Unit shall be readjusted by 3.0%.

Effective the first full pay period of July 2023, the salary range for each classification in this Unit shall be readjusted by 3.0%.

In addition, upon ratification, all classifications shall receive a one-time market study salary increase of .5%.

D. **Signing Bonus:** All full-time employees at the time of ratification unit shall receive a one-time \$1250 signing bonus, minus applicable taxes. The one-time signing bonus shall be paid the first full pay period after ratification by the Capitola City Council.

3. Longevity Pay Incentive

Employees having 10 consecutive years of full time employment with the City of Capitola are eligible for a 5% longevity enhancement, which shall be applied to base salary. Employees having 15 consecutive years of full time employment with the City of Capitola are eligible for an additional compounded 5% longevity enhancement.

4. Vacation

A. Vacation
Vacation Accrual

Vacation accrues on a prorated basis, based upon a 30-day month. The rates of accrual are as follows:

<u>Years of Employment</u>	<u>Vacation Days</u>
1 and 2	12
3 and 4	14
5 through 9	17
10 through 19	22
20 and higher	27

B. Accumulation

- (1) An employee, may generally not accumulate more than 540 hours of vacation, but instead each year must cash out, pursuant to Sections 4C and 4D below, all accumulated vacation in excess of 67.5 days (540 hours), except that
- (2) An employee who had accumulated more than 67.5 vacation days (540 hours) as of 6/30/94 may maintain that level: provided, however, that if accumulated vacation falls below 67.5 days (540 hours), the provisions of (B) (1), above shall thereafter apply.

C. Vacation Cash Out Upon Termination

An employee who has unused vacation and who leaves the City service for any reason will not continue to accrue vacation after the last day of regular on-the-job employment (separation date) and will be paid at the then applicable rate for all accumulated but unused vacation leave to the date of separation.

D. Vacation Cash Out Before Termination

Employee will be eligible to convert up to 40 hours per fiscal year of accumulated vacation time to cash. The payout rate is calculated by converting Employee's salary, at the rate applicable on the cash out date, to an hourly rate in the manner set forth in attached section 2 of Standard MOU Provisions.

5. Holidays/Personal Holidays

Holiday compensation is covered by Section 40 of the attached "Standard" and "Additional" MOU provisions, with the following exceptions:

Employee shall also be entitled to 3 personal holidays per calendar year. Unused personal holidays are not cumulative.

6. Incorporated Provisions

The following sections of the "Standard" and "Additional" MOU are attached hereto and incorporated herein: 2 (Wage Schedule/Hourly Rates), 3 (Service), 4 (Types of Appointments), 5 (Beginning Salary Rates), 6 (Advancement Within Schedule), 7 (Promotion To New Position), 9 (Personnel Rules), 10 (Effective Date of Pay Increase), 13 (Sick Leave Defined), 16 (Bereavement Leave), 17 (Family and Medical Leave Act of 1993), 19 (Accruals After Date of Separation), 22 (Drug Free Policy), 26 (Re-opener), 40 (Holidays), and 50 (Education Reimbursement).

7. Sick Leave Accrual/Medical Report

Sick leave accrues on a prorated basis, based upon a 30-day month. Twelve days (96 hours) accrue each calendar year.

8. Sick Leave Cash Out

Employees shall have no right to cash out any sick leave.

9. Insurance

The City will provide term life insurance in the amount of \$50,000 and long-term disability insurance to date of separation.

10. Physical Examinations

The City, in conjunction with the comprehensive health care insurance program, will provide an annual physical examination for Employee only. City will pay the amount not covered by the health care program.

11. California Public Employees' Retirement System (CalPERS)

A. Classic Sworn Employees

The City participates in the California Public Employees Retirement System (CalPERS) operated by the State of California. Benefits provided are detailed in separate publications, depending upon the plan. City agrees to provide 3% at 50 Retirement Plan for Classic Safety employees in the Unit.

Beginning July 1, 2018, all Classic Sworn employees shall contribute 14.974% of their reportable salary to CalPERS. This contribution shall not be reduced unless negotiated by the parties in future negotiations.

B. Public Employees' Pension Reform Act (PEPRA)

For new safety employees hired by the City of Capitola on or after January 1, 2013 and who do not qualify as classic members as defined by PERS, are considered PEPRA employees. CalPERS has by statute implemented a 2.7% @ 55 pension formula, based on a three-year average compensation. Employees in this category shall pay 50% of the normal cost rate as determined by PERS

12. Jury Duty

Leave of absence with pay shall be granted to Employee while serving on jury duty. Any jury fee awarded shall be deposited with the City Treasurer.

13. Grievance Procedure

A. Definition. Until modified by adoption of City-wide Personnel Rules, grievance is defined as an allegation by an employee or group of employees that the Employer has failed to provide a condition of employment, which is established by law, Compensation Plan, by an pertinent written City or departmental rules, provided that the enjoyment of such right is not made subject to the discretion of the Employer by the terms of this Compensation Plan and, provided further, that if the grievance pertains to "conditions of employment" the subject is a matter that is within "scope of representation" as defined in California Government Code Section 3504.

B. Department Review and Adjustment of Grievances. The following is the procedure to be followed in the resolution of grievances.

1. Employee shall have the right to consult with and be assisted by a representative of his own choice in this and all succeeding steps of this section and may thereafter file a grievance in writing with the immediate supervisor. Within five actual working days after receipt of any written grievance, the immediate supervisor shall return a copy of the written grievance to Employee with his/her answer thereto, in writing.
2. If the grievance is not resolved at the first level, Employee shall have five actual working days after receipt of the answer within which to file an appeal with the City Manager.
3. The City Manager shall have five actual working days in which to review, and if necessary, hold hearings, and answer the grievance in writing. Unless waived by the mutual agreement of Employee or his representative and the City Manager, a hearing is required at this step, and Employee, and his representative, shall have the right to be present and participate in such hearing. The time limit at this step

may be extended by mutual agreement between the City Manager and Employee or his representative.

- C. Effect of Failure of Timely Action. Failure of Employee to file an appeal within the required time limit at any step shall constitute an abandonment of the grievance. Failure of the Employer to respond within the time limit at any step shall result in an automatic advancement of the grievance to the next step.
 - D. Limitation on Stale Grievances. A grievance shall be void unless presented within thirty (30) calendar days from the day upon which the Employer has allegedly failed to provide a condition of employment, or within thirty (30) calendar days from the time at which an employee might reasonably have been expected to learn of such alleged failure to provide. In no event shall any grievance include a claim for salary or similar monetary relief for more than the thirty-day period plus such reasonable discovery period.
14. Administrative Leave
- As an exempt employee, Employee is entitled to 10 days per year of Administrative Leave (time off). Administrative Leave is non-cumulative. It may not be converted to cash.
15. Mileage Reimbursement
- Employees required to use their personal vehicles while on City business will be reimbursed at the most recent rate set by the Internal Revenue Service.
16. Flexible Spending Arrangement Contributions
- The City makes a flexible spending arrangement ("Flex Plan") contribution on behalf of each qualified employee. For those employees who have selected health coverage through PERS, from the monthly contribution set forth herein will be paid to PERS for what is sometimes referred to as "employer contribution". This amount is the minimum amount required by PERS, recognizing that state law may increase this minimum from time to time requiring compliance by City. For all employees the City will no longer charge to the employee the \$1.50 per paycheck plan fee.
- The City makes a flexible spending arrangement ("Flex Plan") contribution on behalf of each qualified employee for medical, dental & vision coverage. For those employees who have selected health coverage through CalPERS, from the monthly contribution set forth herein, Effective January 1, 2021 a \$143.00 per month contribution will be paid to CalPERS for what is sometimes referred to as "employer contribution". This amount is the minimum amount required by CalPERS, recognizing that state law may increase this minimum from time to time requiring compliance by City. The City's maximum contribution below is inclusive of the required PEMCHA minimum.

Effective Dates	Employee Only	Employee +1	Employee +2
First full pay period after ratification.	\$824.00	\$1339.00	\$1751.00

Employees who can verify to the City’s satisfaction that they have equivalent group health coverage for medical (including dental & vision), which will remain in effect until the next enrollment date will be eligible for a cash payment of \$250.00.

The city reserves the option of adding additional programs to the cafeteria plan, as they may become available.

17. Uniform Allowance

Effective the first full pay period upon ratification by the City Council, each year Employer shall pay \$38.00 per pay period as and for a uniform allowance. Employer has made no representation as to the tax treatment of such allowance.

Compensation paid or the monetary value for the purchase, rental and/or maintenance of required uniforms will be reported to CalPERS, to the extent allowable by CalPERS.

18. Workers Compensation

Workers Compensation is payable as provided in the California Labor Code.

19. Captain probation

Probation for the position of Captain shall be six months and shall be governed by the attached Standard MOU Provisions.

CITY OF CAPITOLA
Jamie Goldstein
City Manager

By: _____

Date: _____

EMPLOYEE
Andrew Dally
Police Captain

By: _____

Date: _____

EXCERPTS FROM STANDARD MOU PROVISIONS

2. Wage Schedules/Hourly Rates

The wage schedules contained in, or attached to, this Memorandum of Understanding set forth the base pay, subject to such adjustments (such as longevity pay) as are specifically set forth in this MOU. Letters, such as "A" to "F", designate the respective pay steps for each position. The rates contained in the wage schedule do not include overtime or benefits.

Whenever it is necessary to compute an hourly pay rate in order to apply an provision of this MOU, that will be done by multiplying any monthly rate by 12 in order to derive an annual rate, and dividing the annual rate by 2080 (or proportionate number of hours for part time positions, e.g., 1040 for a half-time position).

3. Service

The word "service" as used in this Memorandum of Understanding means continuous full-time service in the position in which the employee is being considered for salary advancement, service in a higher position, or service in a position allocated to the same salary schedule and having generally similar duties and requirements. A lapse of service of any employee for a period of time longer than thirty days by reason of resignation or discharge shall serve to eliminate the accumulated length of service time of such employee, and any such employee re-entering the service of the City shall be considered as a new employee.

4. Types of Appointment

The following types of appointment may be either full-time, as established by the City Manager:

A. Probationary appointment

A probationary appointment is for a specified period of time, during which job performance is evaluated as a basis for subsequent regular appointment.

B. Regular appointments.

A regular appointment ordinarily follows successful completion of a probationary period. "Regular" means a position that is, regardless of the number of hours worked per week, intended to be continuous and uninterrupted (except for authorized paid or unpaid leave). Positions intended to be seasonal, of a limited term, on call only, emergency, intermittent, substitute, or on any other irregular basis are not "regular." The positions set forth in the wage schedule are all regular positions,

and unless specifically stated, the pay rate is applicable to a full-time position. All positions covered by the section are half time or more.

C. Acting appointments.

An acting appointment occurs when an employee is temporarily assigned to, and performs all the duties of a position other than the position he/she normally occupies, or when an employee is assigned an acting appointment pending evaluation of the employee's ability to perform the duties of the position.

D. Accruals for part time positions.

When a position is less than full time it will be classified by a fraction. For example, "half-time" regular employment is expected to average 20 hours per week; "three-quarters" employment is expected to average 30 hours per week. Vacation accrual, sick leave accrual, Flex Plan contributions, holidays, personal holidays are paid or accrued according to these classifications. Thus, compared to a full-time employee, a half-time employee, even if actual time occasionally exceeds or falls below 20 hours in a week, when compared to a full-time employee: receives one-half the Flex Plan contribution; accrues one-half the number of hours of vacation or sick leave; and is paid for four hours on a holiday or personal holiday.

5. Beginning Salary Rates

A new employee's base pay shall be computed by using the rate shown as step "A" in the schedule allocated to the class of employment for which the employee has been hired, except that upon recommendation of the department head under whom the employee will serve and with the approval of the City Manager, such new employee may be employed at a higher step, depending upon the employee's qualifications.

6. Advancement within the Schedule

The following provisions govern salary advancement within the schedule:

A. Probationary advancement

Upon successful completion of probation, an employee (except an employee that was hired at the top step) will advance one step.

B. Regular Merit advancement

An employee may be considered for advancement upon completion of the minimum length of service specified for step increases. Unless specifically otherwise stated, this will be 12 months for full-time appointments and proportionately adjusted for other appointments. For instance half-time appointments will be evaluated for regular merit

adjustments every 24 months. Advancement to higher steps shall be granted only for continued meritorious and efficient service and continued improvement by the employee in the effective performance of the duties of the position held.

C. Special Merit advancement

When an employee consistently demonstrates exceptional ability and proficiency in the performance of assigned duties, the supervising department head may recommend to the City Manager that said employee be advanced to higher pay step without regard to the minimum length of service provisions contained in this resolution. The City Manager may approve and effect such advancement.

D. Denial of advancement

When an employee has not been approved for advancement to the next higher wage step, such employee may be reconsidered for such advancement after the completion of three months of additional service.

7. Promotion to New Position

When an employee is promoted to a position in a higher classification, such employee shall be assigned to step "a" in the appropriate schedule for the higher classification. However, if such employee is already being paid at a rate equal to or higher than step "A", he/she shall be placed in the step in the appropriate salary schedule which will grant such employee a salary increase of not less than 5%.

9. Personnel Rules

The City retains the right to amend and create personnel rules, provided they are not in conflict with specific provisions of the MOU. Where appropriate, City will meet and confer with applicable employee group or groups (Government Code Section 3300 and following), before amending or creating new personnel rules.

10. Effective Date of Pay Increase

A merit-pay advancement for an employee shall become effective on the first day of the pay period in which the minimum length of service has been satisfactorily completed. Any other mid-pay period payroll adjustments will occur at the beginning of the pay period in which the adjustment falls for all odd numbered calendar years; and, at the beginning of the following pay period for the even number calendar years.

13. Sick Leave Defined

Employees have the right under federal and state law (see Section 17 below) to be absent from regularly scheduled work without being reprimanded, disciplined, or discharged. They may also have additional rights under their MOUs. "Sick leave" as used herein refers to an employee's rights to be compensated, by means other

than Workers Compensation benefits, while on medical leave or where so allowed, by specific provisions in the MOU, such as bereavement leave.

16. Bereavement Leave

Leave of absence with pay because of death in the immediate family of an employee shall be granted for a period not to exceed three days. Entitlement to leave of absence under this section shall be in addition to any other entitlement for sick leave, or any other leave. For purposes of this section, "immediate family" means mother, step-mother, father, step-father, husband, wife, son, step-son, daughter, step-daughter, brother, sister, foster parent, foster child, brother-in-law, sister-in-law, mother-in-law, father-in-law and grandparents.

17. Family & Medical Leave Act of 1993

The City shall follow the provisions provided for family leave as specified in the federal Family & Medical Leave Act of 1993, and the state Family Rights Act as it applies to public employees.

19. Accruals after Date of Separation

An employee's separation date is the last date actually worked, except that an employee who, as of the last day worked, has not used all of his/her yearly allotment of vacation may extend the separation date by the number of days necessary to reach the full yearly allotment. "Yearly allotment" means the amount of vacation that the employee was entitled to accrue in his/her last year of employment. Unless otherwise provided by state law, none of the following accrue after the date of separation: sick leave, vacation, personal holidays, holiday pay, administrative leave, Flex Plan contributions, or the insurance described in Section 16 of the Standard MOU.

22. Drug Policy

The City is implementing its "Drug Free Workplace Policy".

26. Re-opener

Upon request of any bargaining unit, the parties will negotiate whether specific provisions will be added to the MOU about awards of days off for five years of accident free work.

40. Holiday Schedule

There shall be twelve (12) holidays granted annually for the life of the MOU. The holidays to be observed during the calendar year are set forth below.

New Year's Day	1/01
Martin Luther King Day	*
Lincoln's Birthday	2/12

Washington's Birthday	*
Memorial Day	*
Independence Day	7/4
Labor Day	*
Indigenous Peoples Day	*
Veterans' Day	11/11
Thanksgiving Day	*
Friday Following Thanksgiving	*
Christmas Day	12/25

*These Holidays are taken at the same time as the federal holiday is scheduled. Holidays listed above occurring on a Saturday shall be observed on Friday. Holidays occurring on a Sunday shall be observed on Monday.

In addition, City hall will be closed for one week during the Christmas holidays during which employees affected by the closure will be permitted to use vacation, personal holidays or sick leave in order not to lose compensation.

50. Education Reimbursement Program

- A. Tuition & Books: The City will reimburse employees for tuition and textbooks upon the completion of courses approved in advance by the City Manager in accordance with the following schedule:

State supported California colleges and universities - 100% tuition and textbook reimbursement.

Private colleges and universities - 100% of tuition or the tuition of the University of California whichever is less. Textbook reimbursement will be at 100%.

- B. Education Incentive Pay: Upon satisfactory completion of 50% of an applicable Masters Degree as determined by the City Manager, or 50% of P.O.S.T. Command College, the employee shall receive a salary increase equal to 5% of base pay. The employee shall submit to the City Manager a list of courses and credits, together with transcripts to verify the acquisition of claimed credits. Satisfactory completion shall mean a grade of "C" or better in any course. For Command College employee shall submit verification of enrollment and a program schedule to the City Manager. The City Manager will determine at what point in the schedule delineates 50% completion of the program.