

Capitola City Council

Agenda Report



Meeting: February 27, 2025

From: City Manager Department

Subject: MOU with the Capitola Police Officers Association

Recommended Action: Authorize the City Manager to sign a side letter agreement with the Capitola Police Officers Association from March 1, 2025, through June 30, 2027.

Background/Discussion: On May 30, 2024, the City Council authorized the City Manager to execute a Memorandum of Understanding (MOU) with the Capitola Police Officers Association (POA). Changes outlined within the MOU went into effect the next pay period and included a 3% percent Cost of Living Adjustment (COLA) for most positions represented by the bargaining unit. Consistent with other MOUs, the agreement with the POA included several other economic benefits contingent on the passage of Measure Y in November 2024, effective the first full pay period after the Council certified election results. These economic benefits were referred to as contingencies throughout negotiations, and all five labor units and associated agreements included contingencies.

With the passage of Measure Y in November, and certification of election results on December 12, 2024, most economic benefits became effective in the pay period that began December 29 and were reflected in January 10, 2025, employee paychecks.

The current POA MOU includes the following three independent incentive pays in Article 14: Educational Programs:

- Education Incentive Pay (Officers and Sergeants)
 - 30 units: 2.5%
 - 60 units: 5%
 - BA/BS: 7.5%
- P.O.S.T. Certification Pay (traditionally, only Sergeants)
 - Intermediate: 2.5%
 - Advanced: 5%
 - Supervisory: 7.5%
- Career Officer Pay (Officers only)
 - Senior Officer: 2.5%
 - Senior Officer II: 5%
 - Corporal: 7.5%

The 2024 MOU allowed for Police Officers with Advanced P.O.S.T. Certifications to qualify for 2.5% P.O.S.T. Certification Pay; however, only if the Officer was currently not receiving any level of Education Incentive Pay (ie: qualifying educational credits/degrees). In January, upon implementation of the new MOU, it became clear that no language prohibits Officers receiving Career Officer Incentive Pay to also receive the Advanced P.O.S.T. Certification Pay; increasing their overall incentive pay by 2.5% (for a total of 10%), which is higher than the maximum potential education incentive pay.

After meeting with the POA, City staff analyzed potential options to rectify the situation. Staff then negotiated with the POA to come to this proposed solution:

- Increasing Education Incentive Pay at the Bachelor's Degree level by 2.5%
- Ending the new 2.5% Advanced P.O.S.T. Certification incentive but allowing the two officers currently receiving the benefit to continue to do so.

A side letting with language reflecting this solution will be included as additional materials before the Thursday, February 27, City Council meeting.

Fiscal Impact: Increasing Education Incentive Pay (at the bachelor's degree level) by 2.5% will impact seven City employees and will cost an estimated \$23,000 each fiscal year. A similar cost of \$24,000 was estimated when projecting the FY 2024-25 Budget based on negotiations at that time.

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