

Capitola City Council

Agenda Report



Meeting: June 13, 2024

From: City Manager Department

Subject: Memoranda of Understanding with Employee Groups

Recommended Action: 1) Authorize the City Manager to execute a successor agreement to the existing Memoranda of Understanding with negotiated changes for the Confidential Employee Group and the Association of Capitola Employees, subject to technical corrections; and 2) adopt a resolution approving the updated salary schedule, effective June 23, 2024.

Background: The City of Capitola's employees are divided into five bargaining groups, with associated agreements. The City's Employee Memoranda of Understandings (MOUs) expire at the end of June 2024. As required by state law, the City has participated in good faith negotiations with the bargaining groups on working conditions, salary, and benefit changes.

Discussion: The City of Capitola and all employee bargaining groups began negotiation meetings in March 2024. The City Council gave the City's negotiator fiscal authority based on the City's ten-year budget forecast, the results of a Salary Survey, and known concerns regarding healthcare plan costs. Each bargaining group has negotiated for items they prioritize.

On May 30, 2024, the City's Negotiator and the Confidential Employee Group reached a tentative agreement. A red-lined MOU and proposed salary schedule will be included as additional material before the June 13, 2024, City Council meeting.

On June 6, 2024, the Association of Capitola Employees (ACE) signed a tentative agreement. A red-lined ACE MOU and proposed salary schedule will be included as additional material before the June 13, 2024, City Council Meeting.

The City Negotiator will continue to meet and negotiate with other non-represented groups.

Fiscal Impact: The fiscal impact of the negotiated changes to the MOUs with the Confidential Employee and ACE groups will be included as additional material distributed before the June 13th City Council meeting.

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Reviewed By: Julia Gautho, City Clerk; Jim Malberg, Finance Director

Approved By: Jamie Goldstein, City Manager