

MEDIATION
Between
CITY OF SANTA CRUZ

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And
CITY OF SANTA CRUZ SERVICE EMPLOYEES, SEIU LOCAL 521
CITY'S TOTAL PACKAGE TENTATIVE AGREEMENT PROPOSAL

NOVEMBER 4, 2025

The City submits this Total Package Tentative Agreement Proposal pursuant to ground rule 6. A rejection of any one of the proposals set forth below will be deemed a rejection of the Total Package Proposal in its entirety. The City reserves the right to modify any of the below proposals based on any subsequent individual proposal or any additional subsequent Total Package Proposal.

1. TERM PROPOSAL

2.00 TERM

The term of this agreement shall begin on October 11, ~~2022~~2025, or when Council approves the successor MOU in open session, whichever is later, and shall fully terminate on October 10, ~~2025~~2028.

Unless otherwise stated herein, all payroll related changes identified in this agreement will commence with the pay period beginning October 11, ~~2022~~2025, or the pay period when Council approves the successor MOU in open session, whichever is later.

2. SALARY PROPOSAL

10.00 PAY RATES AND PRACTICES

1. Cost of Living Adjustments

- a. Effective the pay period that begins on October 11, ~~2025~~, ~~or the pay period when Council approves the successor MOU in open session, whichever is later,~~ the salary for all bargaining unit members shall be increased by an additional ~~four and half percent~~ four percent (4.04-5%) or \$1.25 per hour increase, whichever is greater.
- b. Effective the pay period that begins on ~~September 2, 2023~~ September 26, 2026, the salary for all bargaining unit members shall be increased by an additional four percent (4.0%).
- c. Effective the pay period that begins on ~~August 31, 2024~~ August 27, 2027, the salary for all bargaining unit members shall be increased by an additional ~~three and a half percent (3.54.0%)~~ four percent (3.54.0%).

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2. ~~Delete Steps A & B from the Salary Compensation Plan/Schedule for all classifications.~~
 - a. ~~Employees currently in Steps A & B will move to Step C effective after City Council approves an MOU in open session, employees are eligible for advancement to the next hire salary step on their next regularly scheduled merit review. Steps D-J will be adjusted upwards accordingly to maintain five percent between steps.~~
 - b. ~~Step C of the Facility Attendant, Landfill Gate Attendant and Parking Attendant classification will be set to the current benefitted living wage of \$19.01/hour.~~
3. ~~Effective October 1, 2022 or the first pay period in which Council approves an MOU in open session, whichever is later, employees will receive a one-time signing bonus of \$1,800 for full-time employees, and pro-rated for part-time employees.~~
4. Furloughs: The City agrees that there will be no furloughs during the term of this Agreement!

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3. SHORT TERM DISABILITY PROPOSAL

15.04.01 SHORT TERM DISABILITY

The City will provide, ~~at the City's cost,~~ to SEIU represented employees CA SDI and STD Plan Option #9 (30 day EP to dovetail with LTD 90 day EP, 24-hour coverage), ~~and will implement this during the first year of the agreement and as soon as administratively feasible.~~ Effective the pay period beginning October 11, 2025, or the pay period when Council approves the successor MOU in open session, whichever is later, employees shall contribute 1% of their base salary through payroll deductions to cover the cost of SDI benefits.

4. RETIREMENT PROPOSAL

10.02 SALARY/RETIREMENT

10.02.01 Employees Hired On or Before May 11, 2012 (Tier I)

This section shall apply to employees hired on or before May 11, 2012 who are members of CalPERS.

- A. Final Compensation Based on the Single Highest Year
For purposes of determining a retirement benefit, final compensation for employees covered by this section shall be based on the single highest year.
- B. 2.0% @ 55 Pension Formula
The 2.0% @ 55 pension formula shall be available to all employees covered by this section who are members of CalPERS. Additionally, the City provides the Pre-Retirement Optional Settlement 2W Death Benefit to employees covered by this section.
- C. Required Employee Contribution

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Members covered by this section will contribute the employee contribution amount established by CalPERS for the 2.0% @ 55 pension formula. The required employee contribution amount effective July 1, 2013 is 7% on a pre-tax basis. Effective July 1, 2012, employees picked up an additional 1% of PERS (total 8%) on a pre-tax basis.

Effective July 5, 2014, employees shall pick up an additional one and a half percent (1.5%) of PERS (total 9.5%) on a pre-tax basis.

Effective the pay period beginning October 11, 2025, or the pay period when Council approves the successor MOU in open session, whichever is later, employees covered by this section shall have their payment of the employer's retirement share reduced by 1% (total 8.5%) on a pre-tax basis.

Effective the pay period that begins on September 26, 2026, employees covered by this section shall have their payment of the employer's retirement share reduced by 0.5% (total 8.0%) on a pre-tax basis.

Effective the pay period that begins on August 27, 2027, employees covered by this section shall have their payment of the employer's retirement share further reduced by 1% (total 7.0%) on a pre-tax basis.

10.02.02 Employees Hired on or After May 12, 2012 but before January 1, 2013 (Tier II)

This section shall apply to employees hired on or after May 12, 2012 but before January 1, 2013 who are members of CalPERS.

- A. Final Compensation based on Three Year Average
For purposes of determining a retirement benefit, final compensation for employees covered by this agreement shall be based on the employee's highest three year average.
- B. 2.0% @ 60 Pension Formula
The 2.0% at 60 pension formula shall be available to all employees covered by this section who are members of CalPERS. Additionally, the City provides the Pre-Retirement Optional Settlement 2W Death Benefit to employees covered by this section.
- C. Required Employee Contribution
Members covered by this section will contribute the employee contribution amount established by CalPERS for the 2.0% at 60 pension formula. The required employee contribution amount effective July 1, 2013 is 7% on a pre-tax basis. Effective July 1, 2012, employees picked up an additional 1% of PERS (total 8%) on a pre-tax basis.

Effective July 5, 2014, employees shall pick up an additional one and a half percent (1.5%) of PERS (total 9.5%) on a pre-tax basis.

Effective the pay period beginning October 11, 2025, or the pay period when Council approves the successor MOU in open session, whichever is later, employees covered by this section shall have their payment of the employer's retirement share reduced by 1% (total 8.5%) on a pre-tax basis.

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Effective the pay period that begins on September 26, 2026, employees covered by this section shall have their payment of the employer's retirement share reduced by 0.5% (total 8.0%) on a pre-tax basis.

Effective the pay period that begins on August 27, 2027, employees covered by this section shall have their payment of the employer's retirement share further reduced by 1% (total 7.0%) on a pre-tax basis.

10.02.03 Employees Hired on or After January 1, 2013 (Tier III)

This section shall apply to employees hired on or after January 1, 2013 who are members of CalPERS, in accordance with law.

A. Final Compensation based on Three Year Average
For purposes of determining a retirement benefit, final compensation for employees covered by this agreement shall be based on the employee's highest three year average.

B. 2% @ 62 Pension Formula
Members covered by this section will contribute the employee contribution amount established by CalPERS for the 2.0% at 62 pension formula. The required contribution amount effective July 1, 2013 is 6.75%. Effective July 1, 2013, employees picked up an additional one percent (1%) of PERS on a pre-tax basis for a total of 7.75%. Additionally, the City provides the Pre-Retirement Optional Settlement 2W Death Benefit to employees covered by this section. Employees covered by this section who are classic members as defined by CalPERS may be eligible for a different pension formula.

C. Required Employee Contribution
Effective July 5, 2014, employees shall pick up an additional one and a half percent (1.5%) of PERS on a pre-tax basis above the employee's legally required contribution as calculated by PERS (total of ~~11.009.25%~~ as of the signing of this MOU).

Commented [Au2]: Current PEPR contribution is 8.5%

Effective the pay period beginning October 11, 2025, or the pay period when Council approves the successor MOU in open session, whichever is later, employees covered by this section shall have their payment of the employer's retirement share reduced by 1% (total 10.00%) on a pre-tax basis.

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Effective the pay period that begins on September 26, 2026, employees covered by this section shall have their payment of the employer's retirement share reduced by 0.5% (total 9.50%) on a pre-tax basis.

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Effective the pay period that begins on August 27, 2027, employees covered by this section shall have their payment of the employer's retirement share further reduced by 1% (total 8.50%) on a pre-tax basis.

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5. LONGEVITY PROPOSAL

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10.03 LONGEVITY

Upon completion of ten (10) years of continuous regular service employees shall receive a 2-1/2% longevity pay increase. Upon completion of fifteen (15) years of continuous regular service employees shall receive an additional 2% longevity pay increase (total 4.5%). Upon completion of twenty (20) years of continuous regular service employees shall receive an additional 2% longevity pay increase (total 6.5%). Longevity is calculated from the date of hire into a regular status position or a fully benefited special status position. It is understood that longevity pay is considered "additional compensation" for purposes of PERS and tax computations.

6. BILINGUAL PAY PROPOSAL

10.10 BILINGUAL PAY

The City shall provide payment of an additional ~~\$0.55 per hour on the hourly rate for hours worked when \$60 per pay period~~ when the City certifies an employee as qualified and the position requires the use of bilingual language skills. This provision does not apply to the City translator.

7. HAZARDOUS MATERIAL PAY PROPOSAL

10.22 HAZARDOUS MATERIALS PREMIUM PAY

The City will provide a ~~twenty-five~~ fifty dollar (~~\$25~~50) per month premium pay for all employees who may be exposed to dangerous chemicals and/or biohazardous materials as indicated in the job classification description and identified in Exhibit I. The Parties agree Exhibit I shall include classifications for Parking Enforcement and Downtown Library staff.

8. FIXED HOLIDAYS PROPOSAL

11.01 FIXED HOLIDAYS

Employees within the unit shall have the following specific holidays with pay:

Twelve~~Eleven~~ (Eight (8) Hour Holidays)-

New Year's Day

Martin Luther King's Birthday

President's Day

César Chavez Day -

Memorial Day

Independence Day

Labor Day

Juneteenth

Veteran's Day

Thanksgiving Day

Friday after Thanksgiving

Christmas Day

~~Two (Four (4) Hour Holidays)~~

~~The last four (4) hours of the work shift are Holiday hours for Christmas Eve, (if Christmas Day is on a Tuesday-Saturday)~~

~~The last four (4) hours of the work shift are Holiday hours for New Year's Eve, (if New Year's Day is on a Tuesday-Saturday)~~

~~Except as provided for in Christmas Eve and New Year's Eve, when a holiday falls on Sunday, the following Monday shall be observed. When a holiday falls on Saturday, the preceding Friday shall be observed.~~

The City shall recognize all other days appointed by the President of the United States or the Governor of the State of California as a nationwide or statewide public holiday provided specific prior approval is received from the City Council.

- Commented [SD6]: See Section 11.03 instead
- Commented [SD6R2]: Overtime should be paid on the City listed FIXED holiday schedule and not on the observed holiday schedule.
- Commented [SD7]: This section should still stand as a matter of scheduling or observing ONLY - providing clarity to staff on when we are observing/scheduling.

9. **PERSONNEL ACTIONS PROPOSAL**

8.00 **PERSONNEL ACTIONS**

8.01 Personnel Files

There shall be only one official personnel file which shall be maintained in the City's Human Resources Department. Employees shall have the right to review their personnel files or authorize, in writing, review by their representatives. No adverse material will be placed in an employee's personnel file without prior notice and a copy given to the employee. Employees may cause to be placed in their personnel files responses to adverse material inserted therein

A. Supervisor or Manager Notes During Evaluation Period

There shall be only one official personnel file which shall be maintained by the City's Human Resources Department. Unofficial personnel files maintained by supervisors or managers shall only be kept during the evaluation period and are managed as follows:

- 1. Any supervisory notes, records, or files maintained during an employee's evaluation period may be incorporated into the employee's written annual performance evaluation and must be destroyed after the completion of the written evaluation or after late evaluation as per Section 8.01.02.

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B. Written Reprimands in the Personnel File

- 1. Any reprimand or accident related document that has been sealed or removed from an employee's personnel file shall not be referenced or used in further evaluations or discipline of the employee.

~~1. Written Reprimands in the Personnel File~~

2. Written reprimands that are sealed shall only be viewable by the employee, their representative, and human resources. Sealed reprimands shall not be used for hiring, promotions, or discipline.
3. Written reprimands more than two (2) years old from the date received shall not be considered for promotions, transfers, special assignments, or disciplinary actions unless it is used within the two (2) year period as a basis for a new disciplinary action.
4. Written reprimands more than two (2) years old from the date received and have not been used as a basis for a new disciplinary action within two (2) years shall be sealed in the employee's personnel file. ~~and shall be removed after three (3) years from the date received.~~
- 4.5. All reprimands not used as the basis for a new disciplinary action during a two (2) year period shall be removed after three (3) years from the date received.

Written reprimands shall be removed after three (3) years from the date received.

~~2. Vehicle and Machine Related Accidents in the Personnel File~~

Documented vehicular or machine related accidents more than two (2) years old from the date of occurrence, shall not be considered for promotions, transfers, special assignments, or disciplinary actions unless it is used within the two (2) year period as a basis for a new disciplinary action and shall be removed from the personnel file after two (2) calendar years. Reprimands relating to vehicle and machine accidents shall follow the provisions outlined in this section for written reprimands.

8.01.01 Performance Evaluations

It is compulsory that all regular employees receive an annual written performance evaluation from their supervisors. Employees serving a six-month probation will be evaluated at the completion of their third and sixth month of service. Employees serving a twelve-month probationary period will be evaluated at the completion of their third, sixth, ninth, and twelfth month of service. All regular employees will be evaluated on their merit review dates.

Evaluations are intended to be a summary of the employee's performance over the course of the evaluation period. Evaluations are also to be used as a tool to motivate the employee to work at their highest capacity and to communicate and document the employee's level of performance. To this end, the supervisor and the employee will meet and discuss work responsibilities, job standards and objectives, review progress and plan for the employee's future development prior to the evaluation being placed in the employee's personnel file. Supervisors will make every attempt to address performance issues in a timely manner throughout the evaluation period and provide appropriate feedback to employees on an ongoing basis.

Any additions, corrections, deletions or changes on the original evaluation form, require initialing by both the maker of the amendment and the employee to indicate that the changes have been discussed and understood. No evaluation shall be made on hearsay statements. Employees may also choose to appeal a performance evaluation to the department head and, if not satisfied, to the Human Resources Director and/or formally enter a response to the evaluation in their personnel file. Any unsatisfactory areas in an employee's evaluation shall have attached reasons stated by the rater in the commentary section and shall include specific recommendations for improvement and provisions for assisting the employee in implementing any recommendations made. Disputes regarding performance reviews shall not be subject to the grievance process.

Evaluations will only contain information within the observable time period (i.e. annual evaluations will reflect only the full year between anniversary dates, three (3) month evaluations will reflect the months between date of hire to three months after, etc.)

8.01.02 Late Evaluations

Failure of the supervisor to present the employee with the evaluation within ~~forty-five~~^{thirty-six} (45~~6~~³) calendar days of the due date, unless extension is mutually agreed upon in writing, shall result in a recommendation of step advancement in conjunction with Section 10.01.02. However, as soon as possible thereafter, the supervisor shall conduct a performance evaluation in accordance with Section 8.01.01. ~~If a manager does not provide an evaluation within sixty (60) days of the due date, the evaluation shall be considered "meets standard" in accordance with Section 8.01.01. If a manager does not complete an employee's evaluation within sixty (60) months/days from the due date, the employee's evaluation shall be considered closed.~~

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8.02 Probation

8.02.01 Probationary Period

All original, promotional and re-hire appointments shall be subject to a probationary period of

(a) twelve months for Wastewater Collections Maintenance Trainees; and, (b) six months for all other unit employees. Any time spent by an employee on unpaid status shall not be counted as qualifying service toward completion of the probationary period.

Employees hired into positions that require a one-year probation or six (6) months that ~~previously served in the same temporary classification with similar/equal temporary classifications (listed below)~~ shall receive credit toward completion of the probationary period for any time spent actual hours worked in the same position on a temporary assignment immediately prior to the regular appointment. Such credit shall be given for all hours worked on

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~~a monthly basis up to a maximum of eleven ten six (1016) months of credit for one year probationary periods and five (5) months of credit for six (6) months probationary periods.~~

~~Employees working out of class in a higher classification or work under a PAF where duties expand into the higher classification, will have the time worked count towards their probationary period in the higher position if promoted to the same classification within one year of working at the higher classification.~~

~~Temporary employees may apply to open positions within their department without meeting a minimum service requirement.~~

(b) Classifications for probation credit:

- ~~All temporary classifications that share a permanent counterpart classification.~~
- ~~Temporary Library Aides will prorate Library Assistant II probation~~
- ~~Ranger assistants to Ranger I~~

Temporary Workers on the Eligibility List for Promotions

~~Temporary workers who meet the minimum qualifications of their permanent counterpart shall automatically be retained on the eligibility list for the same permanent positions within the city. This shall include library aides and ranger assistants.~~

8.02.02 Objective of Probationary Period

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The probationary period shall be regarded as part of the selection process and shall be utilized for training the new employee on work assignments and standards, and observing and evaluating the employees performance.

8.02.03 Rejection of Probationary Employee

During the probation period, an employee may be rejected at any time by the appointing authority, without the right of appeal. Notification of rejection shall be served to the probationary employee in writing. ~~The rejecting authority must supply an sufficient and explanatory reason related to the employee's substandard performance to both the Union and employee of their rejection in writing on the same day served. If the probationary employee has served more than three months in their current position, the probationary employee will have one week to appeal the rejection to the department head.~~

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Any promoted employee who is rejected during the probationary period shall be reinstated to the position from which promotion occurred; unless the rejection is due to discharge in which case no reinstatement shall occur. ~~Within the bargaining unit, lower positions where a promoted~~

~~employee has an immediate right to return will not be deleted/unbudgeted before the promoted employee passes their probationary period. Lower positions where a promoted employee has an immediate right to return will not be deleted/unbudgeted before the promoted employee passes their probationary period.~~

8.02.04 Extension of Probation

All efforts shall be made to sufficiently evaluate the probationary employee during the assigned period. An extension of the probationary period may, however, be recommended by the appointing authority when good cause exists. Such extensions shall be for a specific period of time not to exceed three (3) months. The employee shall be informed in writing of the reasons for the period of the extension at least ~~fourteen~~ ~~seven~~ (14) calendar days prior to the scheduled end of the probationary period.

~~If management chooses to extend an employee's probation, the manager must provide an explanatory reason related to the employee's extension of probation to both the Union and employee of their rejection in writing on the same day. Performance Improvement Plan comprehensive plan for improvement which outlines expectations and directives for each month extended. Management must provide notification of extension two weeks prior to the expiration of probation. will not extend an employee's probation within the two weeks.~~

~~Use of PTO shall not extend an employee's probationary period.~~

~~Use of PTO shall not extend an employee's probationary period. Use of paid time off less than ten (10) workdays shall not extend an employee's promotional probationary period.~~

~~With the employee's consent, the probationary period may be extended as described above on less than seven (7) calendar days' written notice.~~

10. **DISCIPLINE PROPOSAL**

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23.00 **DISCIPLINE**

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23.01 **Disciplinary Procedures**

The City believes that progressive discipline is a guideline and useful tool for corrective action. The normal steps in progressive discipline shall be: (1) verbal warning; (2) written warning; (3) written reprimand; (4) suspensions of fifteen (15) days or less; (5) suspension of thirty (30) days or less; (6) demotion; (7) disciplinary reduction in salary;

and (8) termination. The City reserves the right to implement discipline which does not follow progressive discipline guidelines for egregious circumstances.

23.02 Notice of Proposed Disciplinary Action

Within ~~one (1) hour~~~~two (2) workdays~~ of any notice of proposed disciplinary action issued to an employee under the provisions of MOU Section 22.02 *Pre-Action Procedure Step I*, a copy of the notice shall be either (a) hand-delivered to the Union with all attachments, or ~~(b) faxed to the Union without attachments and~~ sent to the Union by First Class Mail with all attachments, or (c) emailed to the Union with all attachments.

The Union's point of contact shall be both the authorized representative and the SEIU Member Resource Center.

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23.03 Written Reprimands

A written reprimand may be issued by an employee's supervisor if an employee has violated a City rule, provision of the M.O.U., or if their performance is in need of improvement. Written reprimands shall be placed in the employee's personnel file. An employee shall have the right to prepare a written response to the reprimand and have said response placed in their personnel file. An employee may appeal the supervisor's decision to issue a written reprimand to their department head by filing an appeal to the department head within ~~seven (7)~~ seven (7) working days, within the regular work week (Monday - Friday) and not including holidays, of receipt of the reprimand. The department head's decision regarding the written reprimand shall be final. Reprimands will be removed from the personnel file after three (3) years, in accordance with Section 8.01 Personnel Files. ~~onefour (14) years.~~

11. UNION LEAVE PROPOSAL

7.05.04 UNION LEAVE

Short Term Leave

This article satisfies the requirements under SB 1085.

- a. Upon request of the designated representative, and with two (2) day's notice, and approval by the Human Resources Director or their designee, each union steward shall be given paid release time up to for up to four (4) hours within one workday for union related activities outside of the MMBA mandated release time for steward responsibilities (meet and confers, representation, bargaining, labor management, grievance handling,

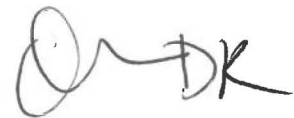
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new hire orientations, etc...). MMBAC mandated release time shall not pull from the bank.

- b. Two week's notice shall be given when requesting time above four (4) hours up to eight (8) hours to use from this bank.
- c. A union time bank shall be established which provides a total time bank of 12002080 hours per calendar year that may be used to provide release time for the president, vice president, or official steward.
- d. The President, Vice President, and Sstewards agree to track their use of release time by inputting the appropriate code provided by the City into their timecard.
- e. Limitations:
 - i. This leave is coordinated at the request of the authorized SEIU representative, and not usable by the President, Vice President, stewards individually or at will. Notices shall be provided to the Human Resources Director or their designee.
 - ii. This leave may be used for up to four hours within one workday with two days notice. Hours above four (4) may be used with two weeks advanced notice.
 - iii. Two week's notice shall be given when requesting release for more than eight (8) stewards at any time.
 - iv. SEIU will coordinate with the City when using more than four (4) hours in a day or two (2) or more stewards in the same classification to alleviate adverse impacts that may arise.
 - v. The President and Vice President may each use up to eight (8) hours in a pay period.
 - vi. An individual steward may use up to eight (8) hours in one calendar month.
 - vii. This leave is not meant to be used towards leave referenced in the long term leave section.

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vii.viii. All leave under this section must receive prior approval by the Human Resources Director or their designee. This article is not subject to the grievance procedure.

2. Long Term Union Leave

Upon request of the Union's Santa Cruz Area Director ~~designated representative(s), workers who are Union members~~ the President, Vice President, or stewards may request unpaid release time not to exceed twelve (12) months for Union business ~~with prior approval by the Human Resources Director or their designee. This request will be made two weeks in advance. A worker~~ The President, Vice President, or stewards granted such leave, who has regular status in their job class, shall have the right to return to their former position. In the event that the worker wants to continue benefits coverage (including medical, dental, vision and life insurance) through the City plans, arrangements will be made for the Union to reimburse the City for costs associated with continuing such coverage. The Union may have the City Chapter President or Vice President of the Union released on work time to attend City Council meetings on matters within the scope of representation related to bargaining unit employees, upon approval of the Human Resources Director.

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11/4/25

~~Upon request of the Union's Santa Cruz Area Director, workers who are Union members may request unpaid release time not to exceed twelve (12) months for Union business. A worker granted such leave, who has regular status in their job class, shall have the right to return to their former position. In the event that the worker wants to continue benefits coverage (including medical, dental, vision and life insurance) through the City plans, arrangements will be made for the Union to reimburse the City for costs associated with continuing such coverage.~~

~~The Union may have the City Chapter President or Vice President of the Union released on work time to attend City Council meetings on matters within the scope of representation related to bargaining unit employees, upon approval of the Human Resources Director.~~

12. VACATION LEAVE PROPOSAL

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12.01 ACCRUAL

Vacation accrual will be on a per pay period basis beginning at date of hire as a regular employee; however, no vacation time may be taken until a new employee has successfully completed six (6) months of paid service. An employee must be in paid status for at least fifty percent (50%) of a pay period to earn their vacation accrual. Annual vacation accrual for fulltime employees working forty (40) hours per week shall be based on continuous regular service, as follows:

Up to five (5) years: 80 hours

After five (5) years and up to ten (10) years: 120 hours

After ten (10) years: ~~160+20~~ hours, plus 8 hours for each year of service after ten (10) years, to a maximum of ~~200+60~~ hours.

Part-time employees shall accrue vacation on a pro-rated basis given the ratio of their budgeted work schedule to full time (e.g., employees with up to five (5) years of continuous regular service working in a twenty (20) hour per week position shall accrue forty (40) hours of vacation annually.

13. OVERTIME PROPOSAL

10.07 OVERTIME

The Union understands that from time to time employees may be directed to work overtime hours. When overtime work is necessary, the City will make an effort to distribute overtime equally among qualified, regular full-time employees. To the extent possible, employees will be given advance notification. An employee may be excused from overtime work for legitimate reasons.

Overtime is defined as all management authorized hours in a paid status in excess of forty (40) hours per week, which are contiguous with the employee's regular work schedule, excluding voluntary training. Overtime shall be computed at the rate of one and one-half times the base hourly rate or may be converted to compensatory time off at the rate of one and one-half times the hours worked.

Employees covered by the Fair Labor Standards Act (FLSA) are entitled to FLSA overtime which is defined as all hours required by management and actually worked by the employee in excess of forty (40) hours in a work period as defined by the City. FLSA overtime is compensated in pay or compensatory time off at one and one-half (1-1/2) times the employee's regular rate of pay. The regular rate of pay is as defined in the FLSA.

Compensatory time off shall not be allowed to accumulate beyond one hundred sixty eight (~~16080~~) hours at any given time.

Based on IRS tax law under constructive receipt rules an employee may use the following methods to meet the IRS rule.

- An employee with accrued compensatory time off shall be permitted to use such time within a reasonable period in the same calendar year as it was earned after making the request, unless such time off will unduly disrupt the operations of the department.
- Roll over any accrued and unused compensatory time earned during the calendar year into a City-sponsored deferred compensation plan anytime during the calendar year.
- Cash out all or part of the accrued and unused compensatory time anytime during the calendar year.
- Any remaining balance will be either rolled over to deferred comp or paid out as described above on the last payday in December.

14. SHIFT DIFFERENTIAL PROPOSAL

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10.05 SHIFT DIFFERENTIAL

10.05.01 Evenings

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Any employee who is required and authorized by management to work a regularly scheduled shift with at least one hours or more of which fall between the hours of 6:00 p.m. and 6:00 a.m. shall be paid a shift differential of \$0.90 per hour or five percent (5%) of base hourly rate for each hour worked within the shift differential period of 6:00 p.m. and 6:00 a.m., whichever is greater.

ShiftEvening differential shall not apply to:

- A. Paid leave hours, including vacation, sick leave, holidays and other paid leaves, provided in Section 14.00-Leaves of Absence.
- B. Hours that are worked between 6:00 p.m. and 6:00 a.m. as a result of call-back, duty assignment, or overtime.
- C. Hours that are worked which weekend differential is paid.

10.05.02 Weekends

~~Part-time and Regular employees assigned to 24-hour operations~~Wastewater and Water Treatment Operators andwho are required and authorized by management to work a regularly scheduled shift with at least one hour or more that falls between 6:00 p.m. Friday and 6:00 a.m. Monday shall be a shift differential of an additional \$2.00 per hour ten (10) percentpaid one and one half (1-1/2) times the employee's regular rate of pay for each hour worked within the shift differential period of 6:00 p.m. Friday and 6:00 a.m. Monday. Work on a Fixed Holiday, as outlined in Section 11.01, results in hours being banked.

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Commented [SD12]: City modified 11/4/25 to clarify what 24 hour regular assignment is.
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Commented [SD13]: changed

Weekend differential shall not apply to:

- A. Paid leave hours, including vacation, sick leave, holidays and other paid leaves, provided in Section 14.00-Leaves of Absence.
- B. Hours that are worked between 6:00 p.m. and 6:00 a.m. as a result of call-back, duty assignment, or overtime.
- C. Shall not compound with Evening Differential Section 10.05.01.

Commented [SD14]: Added by City.
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15. INCORPORATION OF APOs

Critical Incident Recovery Leave:

Employees are guaranteed up to eight (8) paid hours off to respond to traumatic workplace incidents such as assault, sexual harassment, and death at the worksite. This provision is governed in accordance with Critical Incident Recovery Leave and Critical Incident Response policy APO. The City and Union shall meet and confer on the creation of the APO.

Parking:

~~Affected employees paying for parking shall receive parking in accordance with APO related to employee parking stipend. The City and Union shall meet and confer over the creation of the APO. Effective October 11, 2025, or the date Council approves the successor MOU in open session, whichever is later, the Parties mutually agree to adopt and implement the Critical Incident Recovery Leave and Critical Incident Response Policy and any revisions to APO II-48, attached herein.~~

~~The Parties agree to add a new section 14.01.09 Critical Incident Leave to the MOU to read as follows:~~

~~Section 14.01.09 Employees will be entitled to receive Critical Incident Leave in accordance with City Administrative Procedure Order Section XX.~~

16. SAFETY BOOTS

The City shall provide safety boots/shoes for employees in the classifications that require wearing them as shown in Exhibit E. The City may establish administrative procedures for the selection and purchase of such boots/shoes. All eligible employees will be required to wear safety boots/shoes while on duty unless granted a medical exemption. Safety boots/shoes shall not be worn for non-work related purposes. Boots/shoes shall be replaced on an as-needed basis up to the current annual limit of \$250175. If feasible, the City will offer a choice of different styles of boots/shoes.

Commented [SD15]: City added in per SEIU request 11/4/25

17. INCORPORATION OF TEMPORARY EMPLOYEES

31.00 TEMPORARY EMPLOYEES (NEW SECTION)

Except as specifically modified herein, terms and conditions of employment for temporary employees shall remain unchanged including those terms and conditions of employment set forth below. The Union and City mutually acknowledge that temporary employees have at will employment status.

~~Acceptance of this article would not increase or erase benefits in articles not mentioned within this proposal unless doing so is in a signed tentative agreement. Articles not transferred into this Section should either be accounted for in the permanent MOU or explicitly removed.~~

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Commented [SD16]: Incorporated SEIU changes with City Edits 11/4/25

Commented [SD17]: Union proposed section. City struck 11/4/25

The following sections of the Regular SEIU MOU apply to temporary employees:

- SECTION 1.00 PREAMBLE SECTION
- SECTION 2.00 TERM SECTION
- SECTION 3.00 NO ABROGATION OF RIGHTS SECTION
- SECTION 4.00 PAST PRACTICES
- SECTION 5.00 RECOGNITION
- SECTION 6.00 NO DISCRIMINATION
- SECTION 7.00 UNION SECURITY AND UNION RIGHTS
- SECTION 10.00 COLA AND BILINGUAL PAY, OVERPAYMENTS REPAYMENTS ONLY

Commented [SD18]: Union proposed, City agreed. 11/4/25

Commented [SD19]: Section 5 modified to include temps.

Commented [SD20]: City added 11/4/25

SECTION 16.00 – SAFETY
~~SECTION 24.00 – COMPENSATION STUDY~~
SECTION 25.00 - AUTHORIZED AGENTS
SECTION 26.00 - RENEGOTIATIONS
SECTION 27.00 - SEVERABILITY
SECTION 29.00 - AUTOMATIC DEPOSIT-NEW HIRES
SECTION 30.00 - ELECTRONIC PAY STUBS

Commented [SD21]: City rejected union change 11/4/25

Additionally, we will need to incorporate the following sections in the Temporary MOU into the Regular SEIU MOU:

Section 5, RECOGNITION of the regular MOU- needs to be modified to include temps.
SECTION 8.00 SALARY STEPS, PERSONNEL FILES AND PERFORMANCE EVALUATIONS

Commented [SD22]: Union provided proposed language to explain at-will nature of employment and that employee can quit at any time.

The following sections of the Temporary MOU will be incorporated as a new article (Article 31) of the combined Regular/Temp MOU:

SECTION 9.00 WORK ASSIGNMENTS
SECTION 10.00 SALARY
 10.01 SALARY UPON RETURN TO TEMPORARY EMPLOYMENT
 10.02 SALARY STEP WHEN HIRED INTO A REGULAR POSITION
 10.05 BEACH LIFEGUARD II DUTY OFFICER STIPEND
 10.07 CALL BACK

Commented [SD23]: Union proposed. City accepted. 11/4/25

SECTION 11.00 SENIORITY
SECTION 12.00 OVERTIME
SECTION 13.00 BEREAVEMENT LEAVE
SECTION 14.00 IN-LIEU PAID TIME
SECTION 15.00 SICK LEAVE

Commented [SD24]: Kept because seniority for temps is based on actual hours worked. City 11/4/25

SECTION 18.00 BENEFITS
SECTION 19.00 GRIEVANCE PROCEDURE
SECTION 20.00 DISCIPLINE
SECTION 21.00 WRITTEN REPRIMANDS

Commented [SD25]: Kept because overtime is different between contracts (cpo payout)

Commented [SD26]: Agree these should be kept separate and incorporated into the combined MOU as separate sections that apply to temps.

Commented [SD27]: Movement of beach and lifeguard items don't need to be listed twice. Keep them in section 10 - as part of pay for temps. (new article 31)

18. ADDITIONAL TOPICS FOR LABOR MANAGEMENT DISCUSSIONS

The Parties agree to discuss options for dental providers. The Parties also agree to discuss retiree medical benefits after the City conducts an actuary study. Any changes to dental providers or retiree medical benefits will be implemented by mutual agreement and subject to City Council approval based on the City's budgetary resources.

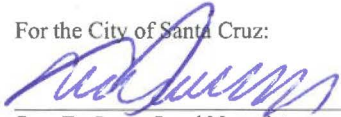
19. TENTATIVE AGREEMENTS

Individual Tentative Agreements: The Parties also mutually agree to incorporate the individual tentative agreements signed by their respective bargaining teams during these negotiations for a

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successor MOU, pursuant to ground rule 6 All proposals exchanged by the Parties that are not included in a signed tentative agreement are hereby withdrawn.

For the City of Santa Cruz:



Sara De Leon, Lead Negotiator

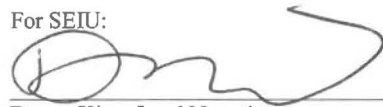
Date:



Timothy L. Davis, Co-Lead Negotiator

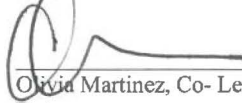
Date:

For SEIU:



Devon King, Lead Negotiator

Date:



Orvid Martinez, Co- Lead Negotiator

Date:

RMB



Alexis Reentrol

Michelle Luepelt

SCOTT TC
FCI
