

**Side Letter Agreement
City of Santa Cruz and
City of Santa Cruz Service Employees, S.E.I.U., Local 521**

(January 1, 2020)

Pursuant to the provisions of the Meyers-Miliias-Brown Act (“MMBA”), this Side Letter of Agreement (the “Side Letter Agreement”) is entered into on January 1, 2020, between the City of Santa Cruz (the “City”) and the City of Santa Cruz Service Employees, Service Employees International Union, S.E.I.U., Local 521 (the “Union”) as an amendment to the Memorandum of Understanding effective March 23, 2019 through April 15, 2022 (“MOU”).

It is understood and agreed that the specific provisions contained in this Side Letter Agreement shall supersede any previous agreements, whether oral or written, regarding the matters contained herein. Except as provided herein, all wages, hours and other terms and conditions of employment presently enjoyed by the Union in the MOU shall remain in full force and effect.

The City and the Union have met and conferred in good faith in accordance with the MMBA, concerning the terms and conditions of this Side Letter Agreement and agree to the following effective January 1, 2020:

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 eighty (80) 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.

Unused compensatory time hours earned prior to January 1, 2020 may be carried over into calendar year 2020 and are subject to the same provisions above as new hours earned in calendar year 2020 and after.

**City of Santa Cruz Service Employees,
S.E.I.U., LOCAL 521**

City of Santa Cruz

Date: 1/13/2020


Date: 1/13/2020


By: 
Veronica Rodriguez, Internal Organizer

By: 
Lisa Murphy, Human Resources Director

Date: 1/13/20

Date: 1/13/2020

By: 
Neal Christen, Water Conservation
Representative

By: 
Joe McMullen, Principal HR Analyst