

SIDE LETTER OF AGREEMENT BETWEEN
City of Santa Cruz Operating Engineers Local 3 - Supervisory Unit
and
the City of Santa Cruz

June 10, 2020

City of Santa Cruz Operating Engineers Local 3 - Supervisory Unit (OE3 Supervisory Unit) and the City of Santa Cruz (City) are parties to a Memorandum of Understanding (MOU) that expires on August 19, 2022.

Having met and conferred in good faith the parties wish to memorialize their Agreement and modify their MOU with respect to furloughs effective June 27, 2020 through June 25, 2021. The parties are to reopen this Agreement on December 18, 2020 to meet and confer over the continuation of the terms set forth in this Agreement as follows:

I. Supervisors Position on Furloughs

- A. By entering into this Agreement, the Supervisors do not waive their position that the City should solve its budget shortfalls without decreasing their compensation and do not give up their rights to meet and confer as set forth in Section II.

II. Ongoing Meetings and Information Sharing

- A. The City agrees to keep the OE3 Supervisory Unit informed about any significant changes in budget revenues, surpluses, and deficits, including covid-19 related grants, reimbursements, State and/or Federal aid, and savings from supervisor retirements, for the duration of this agreement by way of monthly informational updates as well as discussion at their regularly scheduled bi-monthly meetings or as requested by either party. Both parties agree to meet and confer at the request of either party over changes in budget revenues, surpluses or savings.

III. Furlough Plan

- A. The furlough plan is guided by a number of principles, the most important of which are to realize 10% in Supervisory Employee savings from all funds and to minimize the furlough's impact on City services and employees.
- B. The pay period starting June 27, 2020, all represented employees will have their pay reduced by 10% through a reduction from a 40-hour workweek to a

36-hour workweek. The workweek for employees who work less than 40 hours will be scheduled by their departments accordingly to meet the 10% pay reduction. The Department Heads will make a good faith effort to work with individual Supervisors to accommodate unique scheduling needs in order to limit any adverse effects on Supervisors to the extent possible. During the term of this agreement, an example of a workweek for represented employees will be based upon each Departments operational needs, including but not limited to the following alternate schedule examples:

Example 1: Employees will work a 36-hour workweek consisting of four (4) days per week, nine (9) hours per day with every Friday off

Example 2: Employees will work five (5) days per week, eight (8) hours per day with every other Friday off. Under this scenario, employees would alternate Fridays off so that the work site would remain open

- The Library Supervisor employees are incorporated into this agreement according to the terms of this side letter. The Library will implement the thirty six (36) hour workweek which will include scheduling on weekends and evenings.
- If a Department Head determines that for operational needs in a particular department or workgroup, a day other than Friday or a schedule other than the four (4), nine (9) hour days is appropriate, s/he will work with the employee(s) to determine an operationally effective schedule.
- Requests for alternative schedules by individual employees will be considered on a case by case basis and granted as appropriate when such a schedule does not disrupt operations or otherwise reduce service levels.
- The City will supply the OE3 Supervisory Unit with the schedules for all Supervisors by July 10, 2020. OE3 Supervisory Unit may request to meet and confer regarding specific alternate schedules.
- Alternate schedules will maintain consecutive days off for employees. Individual employees may submit a request for other than consecutive days off to their Department Head who will approve the request if it does not disrupt operations or otherwise reduce service levels.
- No represented employee will be furloughed below the minimum number of hours required for health benefits eligibility as established by CalPERS, currently 20 hours per week. During the declared pandemic emergency, the City will continue to make a best-faith effort

to provide at least a 5 working day notice for shift changes. The Union and the affected employee will be notified of their shift change in writing via email. The notification shall include the start and end times and the effective time period for which the change will be in effect.

- C. No reduction of employment benefits, including PERS contributions, health, or leave benefits, will result from implementation of the furlough.
- D. The furlough will not affect retirement service credit accruals for employees working the minimum number of hours required to earn a full year's service credit, as established by CalPERS. Employees working less than the minimum number of hours required to earn a full year's service credit will earn service credit in accordance with CalPERS regulations. Currently, the minimum number of hours required by CalPERS to earn a full year's service credit is 1,720.
- E. Furlough hours will count towards seniority.
- F. No annual or other paid leave may be used in lieu of furlough hours.
- G. Employees cannot be required to work or perform official duties during their furlough. This does not remove or eliminate the requirements of call-back, duty assignment, overtime, and other extracurricular assignments identified in the MOU.
- H. If a furlough day falls on a holiday, the furlough day will be taken on the preceding scheduled work day in the same pay period. If a furlough day falls on a holiday that is on the first scheduled work day of a pay period, the furlough day will be taken on the next scheduled work day in the pay period. Furlough hours will not affect eligibility for holiday pay.
- I. The City will consider whether or not to implement the California Employment Development Department (EDD) work share program with the Supervisor unit.
- J. The City agrees to not shift the productivity burden from furloughed employees to temporary employees or consultants and that furloughed employees will not be replaced by temporary employees or consultants. The City reserves the right to use temporary employees and consultants for peak and unusual workload fluctuations.
- K. For the duration of this agreement, the reinstatement period defined in Section 21.05 (Reinstatement) of the MOU will be extended to 36 months.
- L. Furlough hours will be counted for the purposes of calculating overtime.
- M. The language of any section of the MOU not modified by this agreement shall remain in effect for the duration of the term of the original MOU.

- N. Before approval of a request to fill any vacant position from the Supervisors unit for the duration of the furlough program, the Union will be offered the opportunity to examine the request prior to approval and to submit recommendations. Beginning in July 2020, the parties will form a joint labor-management committee comprised of up to three Supervisory employees and the union representative and up to three management employees to review requests to fill vacant positions.
- O. Prior to filling vacant Supervisory positions, the City will consider utilizing qualified unit employees to do the work on an overtime or out-of-class basis if:
1. It is to the City's economic advantage; and
 2. It is to the City's operational advantage; and
 3. It meets PERS working out of class rules.

Unit employees or the bargaining unit may provide the City with prior notice of their interest in performing such work.

**Supervisory Employees of the
City of Santa Cruz, OE3**

City of Santa Cruz

Date: 6/11/2020
 By: Michael Moore
 Michael Moore

Date: June 12, 2020
 By: Tim Davis
 Tim Davis

Date: 6/11/2020
 By: Ezekiel Bean
 Ezekiel Bean, President

Date: Lisa Murphy
 By: 6/12/20
 Lisa Murphy, Human Resources Director