

Side Letter # 2020-1

City of Half Moon Bay

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City of Half Moon Bay Represented Management Team (RMT) Members

The City of Half Moon Bay and the City of Half Moon Bay Represented Management Team Members enter into this agreement in response to the financial impact of the COVID-19 pandemic and agree to amend the parties' Memorandum of Understanding dated July 1, 2018-June 30, 2021 (the "Represented Management MOU") as follows to assist the City in mitigating the negative financial impact from the COVID-19 pandemic:

The cover page of the MOU shall be changed to read July 1, 2018-June 30, 2022.

1) Section 1.1 – Memorandum of Understanding

The second paragraph will be revised to read:

The parties agree that negotiations for the MOU beginning July 1, 2022, shall commence no later than three (3) months prior to the expiration of this current Agreement.

2) Section 3.1 – Salary

The third paragraph will be revised to read:

The Represented Management team agrees to postpone the cost of living adjustment of two and one half percent (2.5%) increase in the base wage, which would have otherwise occurred on July 1, 2020, until the City has confirmed that City revenues have recovered that are sufficient to pay the increase in base wage without risking use of reserves.

3) Section 3.7 – Citywide Classification and Compensation Study

The third sentence will be revised to read:

The City will engage a consultant to conduct this classification and compensation study with a goal of completion not later than June 30, 2021.

4) Section 4.1 – Vacation and Administrative Leave Payoff

The members of RMT agree to suspend the second paragraph of this provision in their MOU (annual cash-out of unused vacation or administrative leave) until November 2021.

In addition to the changes above, the parties have met and conferred and reached the following agreement regarding furloughs:

Furloughs

A mandatory furlough program will be implemented and effective July 1, 2020 through June 30th, 2021, unless the City Council determines to end the furloughs prior to June 30, 2021. The furlough program will provide for a 10% reduction in work hours (16 hours per month) with a proportionate or commensurate 10% reduction in pay per month for the hours not worked for Represented Management employees. This equates to a schedule reduction from 40 hours per week to 36 hours per week. It will be at the discretion of the City Manager as to how that change in schedule will be handled. This equates to a schedule reduction from 40 hours per week to 36 hours per week. It will be at the discretion of the City Manager as to how that change in schedule will be handled. As the City needs to preserve funds, employees cannot use vacation or other paid leave such as administrative leave to receive pay for these unworked hours, unless a paid leave is required by law.

- a. Retirement – CalPERS makes the final decision on all retirement benefit calculations and issues. In most cases, based on the parties’ current understanding, unpaid furlough leave should not affect an employee’s CalPERS service credit because according to the PERS website, employees must be paid 1720 hours within a year to earn one full year of service credit. <https://www.calpers.ca.gov/page/active-members/retirement-benefits/service-credit> With the 10% furlough, an employee should work enough hours to earn a full year of service credit. Furlough leave would not change the pay-rate that is reported to CalPERS.
- b. Cafeteria Plan Benefits – employees shall receive continued and unchanged City contribution to the cafeteria benefit plan, as if the employee was working full time, which can be used for medical, dental and vision insurance benefits. Employees will be responsible for the same employee contributions.
- c. Furlough Leave as Hours Worked – Furlough leave will be counted as if the hours had been worked for the purposes of earning and computing paid leave accrual, completion of probation period, computing seniority, and step increase eligibility.

In the event of any inconsistency between this Side Letter and the Memorandum of Understanding, the terms of the Side Letter shall prevail for these issues covered in the Side Letter.

The Side Letter is not effective until ratified by the members of the Represented Management unit and by the City Council of the City of Half Moon Bay.

Subject to ratification, the City will implement the change to this Memorandum of Understanding effective as of the date of this Side Letter agreement as noted below. All other terms set forth in the Represented Management MOU shall remain unchanged.

MANAGEMENT TEAM



Corie Stoker, Management Analyst

DATE: 6/5/2020

CITY OF HALF MOON BAY



Bob Nisbet, City Manager

6/5/2020