

**SIDE LETTER OF AGREEMENT  
BETWEEN THE CITY OF SANTA BARBARA  
AND THE POLICE MANAGEMENT ASSOCIATION BARGAINING UNIT**

Pursuant to the provisions of the Meyers-Milas Brown Act, this Side Letter of Agreement ("Agreement") is entered into between the City of Santa Barbara ("City") and Police Management Association Bargaining Unit ("Union") (collectively, the "Parties"), as an amendment to the Memorandum of Understanding (MOU), covering the term January 1, 2026 to June 30, 2027.

This Side Letter documents a correction to Article 29, Subsection B of the PMA Memorandum of Understanding (MOU) regarding the one-time lump sum payment provided to eligible employees.

**Background:**

Article 29, Subsection B included language allowing employees to select either a one-time lump sum payment in cash or an election to contribute the payment to an existing City of Santa Barbara 457 deferred compensation account. The next sentence in the original MOU stated: *"The voluntary contribution by the employee would be post-tax dollars per IRS rules."* This sentence was included in error. Under the current City of Santa Barbara 457 Deferred Compensation Plan, employees may determine the type of deposit—either pre-tax or post-tax (ROTH).

**Correction:**

This Side Letter confirms that the above-referenced sentence is removed. Employees electing to deposit their one-time lump sum payment into their 457 deferred compensation account may choose either a pre-tax or post-tax (ROTH) contribution, consistent with the plan rules.

**Revised Language – Article 29, Subsection B (for reference):**

**B.** For payment on January 9, 2026 (for the pay period beginning December 13, 2025), in recognition of anti-compaction due to market rate adjustments of subordinate classifications, each member of the PMA will receive a one-time lump sum payment that they may elect to receive in cash or contribute to an existing deferred compensation account set up by the City. The lump sum is a one-time, non-PERSable contribution. Employees are eligible to receive this contribution if they are an active City employee and bargaining unit member on the date the City Council ratifies this Agreement. Employees electing to deposit the lump sum into a 457 deferred compensation account may choose either a pre-tax or post-tax (ROTH) contribution in accordance with the plan rules.

Police Lieutenant: \$2350  
Police Commander: \$2700  
Assistant Chief of Police: \$3100

This Side Letter is effective as of the date signed by both parties.

Date:

For the City: *Michael Arredondo* For the Association: SBPMA

*Michael Arredondo* *M. Arroyo*

2-11-26

M. ARROYO

02/11/2026