

**SIDE LETTER OF AGREEMENT
BETWEEN THE CITY OF SANTA BARBARA
AND THE FIRE 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 Fire Management Association Bargaining Unit ("Union") (collectively, the "Parties"), as an amendment to the Memorandum of Understanding (MOU), covering the term July 1, 2025 to June 30, 2027.

Having met and conferred in good faith, the Parties agree as follows.

1. Purpose

The purpose of this Side Letter is to memorialize the parties' understanding regarding the allocation of Holiday Compensatory time and Personal Leave referenced in Section 15 of the MOU. The parties acknowledge that, pursuant to the signed tentative agreement language, the intent of the MOU was that effective July 1, 2025, personal leave hours were to be maintained in a separate accrual bank from holiday compensatory time for all Union employees and that each unit member would receive a maximum of thirty-six (36) hours of personal leave.

2. Temporary Implementation Correction

The Parties acknowledge that the above-described change was not implemented effective July 1, 2025. To correct the administration of this provision prospectively, the City shall do the following:

- a. Maintain current leave balances as they exist on the effective date of this Side Letter;
- b. Add twelve (12) hours to each of the three shift unit members' holiday compensatory time bank; and
- c. Effective July 1, 2026, administer personal leave as a separate leave bank from holiday compensatory time consistent with the signed tentative agreement language and the MOU.

3. No Retroactive Personal Leave Adjustment

The Parties agree that no retroactive adjustment shall be made to personal leave balances for the period prior to July 1, 2026.

The City and Union acknowledge that this prospective implementation is intended to provide the affected employees a practical benefit by preserving existing leave balances and adding hours to the holiday compensatory time bank, which may be cashed out under the MOU, rather than retroactively creating a short period in which personal leave hours might otherwise expire unused.

4. Clarification of Holiday and Personal Leave

Section 15 of the MOU is hereby clarified as follows:

- A. The City and FMA agree that the following days shall be observed as legal holidays for 40-hour employees. Members on a regular 40-hour shift will be eligible for legal holidays and personal leave.

Legal Holidays and Personal Leave Days for members on a regular 40-hour shift:

Paid holidays include:

- | | |
|----------------------------|------------------------------|
| • January 1st | (New Year's Day) |
| • 3rd Monday in January | (M. L. King Jr.'s Birthday) |
| • 3rd Monday in February | (President's Birthday) |
| • March 31st | (Cesar Chavez's Birthday) |
| • Last Monday in May | (Memorial Day) |
| • June 19th | (Juneteenth) |
| • July 4th | (Independence Day) |
| • 1st Monday in September | (Labor Day) |
| • November 11th | (Veteran's Day) |
| • 4th Thursday in November | (Thanksgiving Day) |
| • 4th Friday in November | (Day following Thanksgiving) |
| • December 25th | (Christmas Day) |

40-Hour Employees

Paid holiday time is awarded based on regularly scheduled work day hours per holiday for a full-time employee. When a holiday falls on a Saturday or Sunday the preceding Friday or following Monday, respectively, will be observed as a legal holiday. Whenever a holiday occurs on an employee's regularly scheduled day off, the employee is entitled to an additional day off. Such day off shall be taken within sixty (60) calendar days or shall be compensated at straight pay.

B. PERSONAL LEAVE DAYS

Employees will be entitled to thirty-six (36) paid personal leave hours (pro-rated based on date in rank) each fiscal year per the following schedule:

On the payroll July 1st	36 hours
Hired between July 2 and October 1	28 hours
Hired between October 2 and Jan 1	20 hours
Hired between Jan 2 and April 1	12 hours

Personal leave days must be taken by the end of each fiscal year or will be lost. Personal leave will be scheduled on the same basis as vacation. In no case will employees be entitled to cash payment for personal leave days not taken.

- C. Each employee will have the option to receive holiday compensation earned during the payroll year in time off or as cash at the end of the payroll year ~~in time off~~, or any combination thereof. Holiday cash-out will be at the straight time rate of pay at the same time and in the same manner as the vacation cash-out process. The City will report as compensation earnable the annual cash out for those employees who are normally required to work on an approved holiday because they work in positions that require scheduled staffing without regard to holidays to CalPERS. However, reporting as compensation earnable of such compensation to CalPERS, will be in the period that the credit is earned. Treatment of holiday cash-out as compensation earnable will be determined by CalPERS on a case-by-case basis, subject to the limitations imposed by law, including but not limited to California Code of Regulation section 571(a). An employee who does not cash out holiday pay accrued during the year must bid to take the time off in the next year, and will not later be eligible to cash-out this time in lieu of taking time off.
- D. Employees in a 40-hour shift assignment on July 1 will be eligible for an award of 40 hours of Management Leave each fiscal year. Employees in a 56-hour shift assignment on July 1 will be eligible for an award of 48 hours of Management Leave each fiscal year. This leave must be used within the fiscal year awarded.

Eligibility: This management leave policy applies to all regular management employees designated as being exempt from the overtime provisions of the Fair Labor Standards Act, subject to department head, City Attorney, or City Administrator approval, as outlined below.

Award: Each eligible management employee is awarded ~~forty (40)~~ hours of management leave (pro-rated for part-time employees) for the fiscal year as follows:

40-hour shift:

Managers on the payroll July 1 (inclusive)	40 hours
Managers hired between July 2 and October 1 (inclusive)	30 hours
Managers hired between October 2 and January 1 (inclusive)	20 hours
Managers hired between January 2 and April 1 (inclusive)	10 hours

56-hour shift:

<u>Managers on the payroll July 1 (inclusive)</u>	<u>48 hours</u>
<u>Managers hired between July 2 and October 1 (inclusive)</u>	<u>36 hours</u>
<u>Managers hired between October 2 and January 1 (inclusive)</u>	<u>24 hours</u>
<u>Managers hired between January 2 and April 1 (inclusive)</u>	<u>12 hours</u>

A manager on a Leave of Absence without Pay on July 1st will receive the Management Leave hours (prorated) when s/he returns to work. The department head, City Attorney, or City Administrator may grant additional paid leave to each eligible management employee during the year. The amount of additional paid leave, if any, will be subject to discretion of the department head, City Attorney, or City Administrator.

Use: Management Leave is scheduled like vacation. The leave provided by this program is not related to hours worked nor subject to accrual and may not be carried over beyond the end of the fiscal year. Upon resignation or termination, a manager will not be entitled to any payout of management leave.

Approval: Administration of this policy is subject to the discretion and approval of the department head, except for City Attorney or City Administrator appointment positions, which are subject to the discretion and approval of the City Attorney or City Administrator respectively. Final resolution of any disputes arising from this policy will rest with the City Attorney or City Administrator as appropriate.

- E. Shift personnel will accrue holidays at the rate of one twelve (12) hour day per month. ~~Personal Leave will be credited to each eligible employee on the first pay period in July or upon their date in rank.~~
- F. If an employee's accrued holiday bank exceeds 156 hours, the City shall have the option either to require the employee to take the excess holiday time off or to pay the employee for the excess hours at straight time. The option of time off or pay in lieu of holiday hours shall be at the sole discretion of the City.
- G. Discretionary Management Leave: Though administrative overtime is uncompensated, the Fire Chief may grant paid management leave to any manager during the year, at his or her sole discretion, in recognition of extraordinary uncompensated overtime. Such discretionary management leave shall be in addition to annual management leave otherwise provided in this Agreement.

5. No Other Changes

Except as expressly modified by this Side Letter, all other terms and conditions of the MOU remain unchanged and in full force and effect.

6. Effective Date

This Side Letter shall become effective upon approval by the Parties' authorized representatives.

Date: June 25, 2020

For the City:


Michael Arnold

For the Association:

Jon Turner 

