

**SIDE LETTER AGREEMENT BETWEEN THE CITY OF  
WATSONVILLE AND THE MANAGEMENT UNIT REGARDING  
TEMPORARY FURLOUGH DAYS**

**THIS SIDE LETTER AGREEMENT TO MEMORANDUM OF UNDERSTANDING** is made and entered into this 17 day of June, 2020 by and between the CITY OF WATSONVILLE, a municipal corporation, hereafter referred to as "City", and the Management Unit.

**RECITALS**

**WHEREAS**, on July 9, 2019, the City Council adopted Resolution No. 113-19 (CM), approving the 2019-2020 Memorandum of Understanding (MOU) between the City and the Management Unit; and

**WHEREAS**, a novel coronavirus, COVID19, is causing a global pandemic resulting in millions of cases in the United States and over one-hundred thousand deaths.

**WHEREAS**, on March 16, 2020 the Santa Cruz County Health Officer declared a public health emergency due to the pandemic and enacted a Shelter In Place order requiring all but essential businesses to close to limit the spread of COVID19. The Governor of California declared a public health emergency on March 19, 2020 ordering the same.

**WHEREAS**, as June of 2020, the County and State are slowly opening business sectors with restrictions, but many remain closed. Watsonville's unemployment rates have spiked to levels greater than the Great Recession, and economic recovery is projected to take several years.

**WHEREAS**, the City of Watsonville is projected to lose significant revenues due to the economic downturn caused by the pandemic and faces an approximate \$6.4 million deficit in FY2020-2021.

**WHEREAS**, to help alleviate some of the budget deficit, the Management Unit agrees to take six days off without pay (48 hours) between July 2020 and December 2020. Employees who are not budgeted at full time or who are taking Voluntary Time Off, will be subject to a prorated pay reduction and equivalent time off.

**NOW THEREFORE**, the City and the Management Unit agree as follows:  
All Management Unit employees are to take the following days off without pay: July 10, August 7, September 4, October 2, November 6, and December 4. Those employees unable to take that specific day off due to workload or coverage issues may take another day off within that pay period upon approval of the supervisor. The paychecks on July 17, August 14, September 11, October 9, November 20, and December 18 will reflect the unpaid day. This reduction in pay due to the furlough day will not impact accruals, benefits, retirement calculations, or impact exempt status. Unused furlough days may not be "banked" and taken in other pay periods.

IN WITNESS WHEREOF, the parties hereto have executed this Side Letter Agreement the day and year first hereinabove written.

**MANAGEMENT UNIT**

Date 6/22/20

[Signature]

Date \_\_\_\_\_

\_\_\_\_\_

Date \_\_\_\_\_

\_\_\_\_\_

Date \_\_\_\_\_

\_\_\_\_\_

**CITY OF WATSONVILLE**

Date 6/26/20

[Signature]  
Matthew D. Huffaker, City Manager