

April 16, 2020

Timothy Davis  
Sacramento Police Officers Association  
550 Bercut Drive  
Sacramento, California 95811

**Re: Letter of Understanding – Holiday Leave Cash Out Date Change**

Dear Mr. Davis:

This letter confirms the agreement reached between the City of Sacramento (City) and Sacramento Police Officers Association (SPOA) regarding the change of date for which the holiday leave balance cash out is to occur.

Specifically, it is agreed Section 14.1(f), shall be modified as follows:

1. Effective June 20, 2020, the following shall replace Subsections 14.1 (a) through 14.1 (e):

In-lieu of receiving holiday time off employees shall receive Holiday Pay at five and a quarter percent (5.25%) of their base rate of pay for all hours paid. Holiday Pay shall be additive and shall not compound with any other incentive.

Employees shall make an irrevocable election to either convert existing Holiday Leave balances to cash wages or keep their Holiday Leave balance as time to be used for future time off with no cash-out value. Such election shall be submitted in writing to the Payroll Division, Department of Finance, by April 30, 2020.

The default for employees who fail to make an election by April 30, 2020, shall be to convert the Holiday Leave balance to cash wages.

Holiday Leave balance conversion to cash wages shall be calculated based on the employee's regular rate of pay, as of June 19, 2020, however employees who are eligible to receive an Advanced POST Incentive shall have this incentive calculated at five percent (5%) instead of the eight percent (8%) provided in Section 12.1. Conversion of Holiday Leave balances to cash wages shall be paid on the June 30, 2020, paycheck.

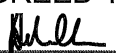
Employees converting Holiday Leave Balance to cash wages may elect to contribute all or part of the cash out to their deferred compensation account, so long as the contribution does not exceed federal limits. Employees electing to make deferred compensation contributions shall give notice to the City by May 31, 2020. Notice shall include the percentage of the cash out to be contributed to the deferred compensation account.


2. City makes no representations to the SPOA or its membership regarding the federal, state or local tax implications of the elections made by employees pursuant to Section 14.1 (f). Whether an SPOA member elects to cash out Holiday Leave balances or retain those balances for future leave purposes, each such employee must determine the tax implications on their own and are encouraged to consult with a tax professional regarding that election. SPOA members shall be fully and ultimately responsible for payment of any and all federal, state or local taxes resulting from their election pursuant to Section 14.1, and shall hold City and its representatives harmless from any tax liability, including penalties, interest, and attorney's fees arising from that election.
3. This Agreement does not establish a precedent, nor does it interpret any employee rights under the language of the Labor Agreements, the Rules and Regulations of the Civil Service Board or any applicable policies and procedures of the Police Department or the City of Sacramento except as expressly stated herein.
4. This Agreement memorializes and constitutes the entire understanding between the parties as to all matter referred to or included herein, and supersedes and replaces all prior negotiations, proposed discussions, whether written or oral.
5. If this is your understanding of the agreement reached, please sign and date as indicated below and return one original to Labor Relations. I have enclosed an additional original for your files.

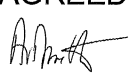
Sincerely,

  
Dawud Brewer (Apr 17, 2020)  
Dawud Brewer  
Labor Relations Officer

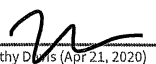
FOR THE CITY:

AGREED TO:  
  
Howard Chan (Apr 22, 2020)  
Howard Chan  
City Manager

AGREED TO:  
  
Shelley Banks-Robinson  
Human Resource Director

AGREED TO:  
  
Aaron Donato  
Labor Relations Manager

FOR THE ASSOCIATION:

AGREED TO:  
  
Timothy Davis (Apr 21, 2020)  
Timothy Davis  
President  
Sacramento Police Officers Association

APPROVED AS TO FORM:

*Brett M. Witter*  
Brett M. Witter (Apr 17, 2020)

Brett M. Witter  
Supervising Deputy City Attorney