

RESOLUTION NO. 01-26

RESOLUTION OF THE COUNCIL OF THE CITY OF CHICO APPROVING “MEMORANDUM OF UNDERSTANDING BETWEEN CITY OF CHICO AND CHICO MANAGEMENT EMPLOYEES REGARDING PAY, HOURS AND OTHER TERMS AND CONDITIONS OF EMPLOYMENT FOR JANUARY 1, 2026 - DECMEBER 31, 2027 (2026 CME-MOU)”

WHEREAS, the Council has previously recognized the Chico Management Employees (“Union”) as the majority representative of the employees identified in the attached Memorandum of Understanding; and

WHEREAS, pursuant to the provisions of Government Code Section 3500 et. seq. and Chapter 2R.72 of the Chico Municipal Code (“Personnel and Employee Representation Rules”), authorized representatives of Union and of the City have met and conferred in good faith concerning matters within the scope of representation; and

WHEREAS, City and Union have memorialized their agreement regarding matters within the scope of representation pursuant to the above referenced code provisions in the “MEMORANDUM OF UNDERSTANDING BETWEEN CITY OF CHICO AND CHICO MANAGEMENT EMPLOYEES REGARDING PAY, HOURS AND OTHER TERMS AND CONDITIONS OF EMPLOYMENT FOR JANUARY 1, 2026 - DECEMBER 31, 2027 (2026 CME-MOU);” and

WHEREAS, all current negotiated items have been incorporated into the 2026 CME-MOU; and

WHEREAS, City and Union have executed the 2026 CME-MOU and the City Clerk has made copies of the 2026 CME-MOU available to this Council for its consideration; and

WHEREAS, this Council has reviewed the 2026 CME MOU and finds that it should be approved.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Chico as follows:

1. The 2026 CME-MOU is hereby approved and supersedes in all respects any and all terms and provisions of all prior memorandums of understanding between City and employees represented by Union, except to the extent that any term or provision of this 2026 CME-MOU expressly provides otherwise.

1           2.       The City Manager is hereby authorized to make appropriate adjustments to the current  
2 and 2025-26 Annual Budgets, to City's Administrative Procedure and Policy Manual, and such other  
3 rules and regulations of City as may apply, and to perform all other acts necessary to implement the  
4 terms and conditions set forth in the 2026 CME MOU.

5           THE FOREGOING RESOLUTION WAS ADOPTED by the Council of the City of Chico at its  
6 meeting held on January 6, 2026, by the following vote:

7 AYES:               **Goldstein, Hawley, O'Brien, van Overbeek, Winslow, Bennett, Reynolds**

8 NOES:               **None**

9 ABSENT:           **None**


10 ABSTAIN:          **None**

11 DISQUALIFIED: **None**

12  
13 ATTEST:

14   
15 Deborah R. Presson, City Clerk

APPROVED AS TO FORM:

16   
17 Ryan Jones, City Attorney\*

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\* Approved pursuant to The Charter of the  
City of Chico §906 (E)

**MEMORANDUM OF UNDERSTANDING**  
**BETWEEN**  
**CITY OF CHICO**  
**AND**  
**CHICO MANAGEMENT EMPLOYEES**  
**REGARDING PAY, HOURS AND OTHER TERMS OF EMPLOYMENT**  
**FOR**  
**January 1, 2026 – December 31, 2027**  
**(2026 CME - MOU)**

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## **SECTION I: APPLICABILITY, STRUCTURE, TERM, AND REOPENER**

**1.1 Applicability.** This Memorandum of Understanding (MOU) shall apply to City employees assigned to management positions who are employed on or after the effective date, referred to as “Employees” in this MOU.

**1.2 Structure of MOU.** This MOU is structured with Sections, Subsections, Paragraphs, and Subparagraphs. As an example, the description of City contribution for life insurance is found in Section Three: Employee Benefits, Subsection Two - Insurances, Paragraph C - Life Insurance. This would be specifically cited as 3.2.C.

**1.3 Term.** Unless otherwise provided for herein, the provisions of this MOU shall become effective for the period of January 1, 2026, through December 31, 2027, provided, however, that such provisions shall only be applicable to those Employees who are employed on and after the date that this MOU is approved by the City Council. This MOU supersedes and replaces in all respects the terms and conditions established in all prior Resolutions and MOUs setting forth Employee pay and benefits. City or Employees shall provide written notice to the other of the desire to negotiate a new resolution on or before October 1, of any year during the term of this MOU in which the MOU expires at the end of the calendar year, unless otherwise agreed upon by both parties.

**1.4 Letter Agreement for Variation of Provisions.** It is recognized that occasions may arise during the term of this MOU when it is to the mutual benefit of City and Management Employees to vary from the strict adherence to the provisions of this MOU. On such occasions, those provisions may be temporarily changed, modified, suspended, or otherwise varied from upon the voluntary and mutual agreement of the parties hereto as evidenced by a letter agreement signed by City Manager, on behalf of City, and by a Management Employee Group representative, on behalf of Employees. Each such letter agreement shall temporarily modify this MOU, as to its term, conditions, provisions, and requirements, for the stated purpose(s) and duration as set forth in the letter agreement.

## **SECTION II: WORK WEEK AND PAY**

**2.1 Work Week.** Full-time Employees shall have a work week of not less than 40 hours. Employees assigned to positions which are established on a less than full-time basis (Part-time) shall have a proportionally reduced work week. Part-time positions shall be established as a percentage of a Full Time Equivalent (FTE), such as 25% FTE or 50% FTE. Further, the Management Leave set forth in subsection 3.7 shall serve as full compensation for any work in excess of said work week(s).

**2.2 Flexible Work Schedules.** City Manager, or City Manager's designee, may approve upon the request of Employee, modification of Employee's daily work hours, in order to provide Employee with a flexible work schedule. In determining whether or not to approve such request, City Manager, or City Manager's designee, will consider the recommendation of Employee's Department Head and the needs of City, with due regard for the wishes of Employee.

Employees agree that Employees who are enrolled in City-approved educational course work or training programs, or who wish to participate in an alternative work schedule as approved by their Department Head, may agree to modifications in their daily work hours or work week, including waiver of the meal break and overtime pay requirement of this MOU which are necessary for such course work, training programs, or alternative work schedule without additional approval from Employees.

City Manager, with sole discretion, shall have the right to modify or terminate any flexible work schedule, with a 30-day written notification to Employees.

### **2.3 Basic Pay.**

**A. Established.** A Basic Pay schedule shall be established consisting of Pay Ranges assigned to each applicable job title. A Pay Range shall consist of seven (7) Pay Steps. Each of the steps shall have an hourly Basic Pay rate and shall be titled as Steps A-G, respectively. Employees shall be assigned to hourly Basic Pay rates within the Pay Ranges by applicable job title in accordance with Appendix "1", entitled "Schedule of Job Titles and Hourly Pay Rates". For the purpose of this Article Two, "Anniversary Date" shall mean one year after the date of such employment or promotion.

**B. Placement on Pay Step Schedule.** Effective January 1, 2017, no Employee shall be placed at a step below the established “A” step for that position. Employees currently assigned to an hourly pay rate below the “A” step for their position shall be moved to Step “A” effective January 1, 2017.

**C. Pay Step Progression**

**1. Conditioned Upon Performance.** Progression through Pay Steps for job titles listed in Appendix “1” shall be subject to and conditioned upon Employee achieving a “Fulfills Job Requirements” or above as the Summary Performance Rating on Employee's “Employee Performance Report” for each of the time periods required to progress in each Pay Step, in accordance with the required period of service for progression set forth in Subsection 2.3.B.2.

**2. Period of Service for Progression.** Periods of service for progression through Pay Steps are applicable to job titles listed in Appendix “1”, Progression through all Pay Steps shall require a twelve (12) month period of service in the prior Pay Step. In addition to the required periods of service, Employees must achieve a “Fulfills Job Requirements” or above, in accordance with performance conditions set forth in Subsection 2.3.B.1.

**3. Period of Service for Progression - Exception.** The period of service for progression for an Employee whose probationary period has been extended for any reason shall be extended to match the extension of probation.

**4. Effective Date of Progression.** Employees satisfactorily completing the requirements set forth above shall be advanced to the next applicable Pay Step effective on the first day of the bi-weekly pay period which includes such Employee's Anniversary Date.

**D. Promotions - Effect on Basic Pay.** Employees, unless otherwise specified herein, who are promoted from one job title in the competitive service to another job title assigned to a higher Pay Range shall be assigned to a Pay Step within the Pay Range assigned to the promotional job title that provides Employee with an increase in pay that is not less than five percent (5%), and which results in a minimum placement of “A” step for the promotional job title.



**E. Pay Range Increases.**

1. Effective the first full pay period following July 1, 2026, the City shall provide a four percent (4%) General Salary Increase (GSI).
2. Effective the first full pay period after July 1, 2027, the City shall provide a five percent (5%) GSI.

**2.4 Out of Classification Pay.**

**A. Established.** Employees may be assigned to perform the duties of a permanent position in a higher classification on a temporary basis. Such assignments shall be termed “out of classification” or “out-of-class” work. It is understood that, from time to time, various higher level “tasks” may be assigned to an employee. It is recognized that the infrequent assigning of such tasks is meant to be non-habitual and does not constitute out of classification work subject to out-of-class compensation.

**1. Compensation.** City agrees to compensate Employees, at that certain step in the salary range of the higher classification which generates an increase above the employee’s current salary of not less than five percent (5%). In the event that the higher classification is more than two levels above an employee’s existing salary range, City agrees to compensate Employees, at that certain step in the salary range of the higher classification which generates an increase above the employee’s current salary of not less than ten percent (10%).

**2. Qualification.** To qualify for out-of-class pay, Employee must be assigned by Employee’s Department Head, or by such person designated by Department Head, to perform a substantial amount of work in a higher job classification.

**SECTION III: EMPLOYEE BENEFITS**

**3.1 Holidays.**

**A. Established.** For the purposes of this MOU, City shall provide eight (8), ten (10), twelve (12) hours, or whatever other daily shift total of hours an employee works, of holiday pay for the following established holidays: January 1, third Monday in January, third Monday in February, last Monday in May, July 4, first Monday in September, November 11, Thanksgiving

Day, day after Thanksgiving, December 24, December 25, and such other days as may be proclaimed by the City Council as public holidays. These holidays constitute the entire and exclusive list of legal holidays observed by the City. Part-time Employees whose regularly scheduled work week does not include the day on which a holiday is observed shall not be eligible for any additional compensation or time off in observance of such holiday.

**B. Attendance Policy.** It is the policy of the City that unless Employee services are required in the interest of public health, safety or general welfare, Employees shall not be required to be on duty on holidays.

**C. Holidays - Observed.**

**1. Holiday - Sunday.** When a holiday falls on a Sunday, the following Monday shall be observed, provided, however, should Christmas Eve fall on a Sunday, such holidays shall be observed on the Employee's last regular work day prior thereto.

**2. Holiday - Saturday.** If a holiday falls on a Saturday, time off or pay shall be granted at the discretion of the City Manager. If time off is granted for Christmas Eve the holiday shall be observed on the Employee's last regular work day prior thereto.

**D. Annual Budget Payment Limitations.** Payment of holiday pay pursuant to 3.1.C shall be approved only if sufficient funds have been appropriated in the Annual Budget for payment of holiday pay.

**3.2 Insurances.**

**A. Medical and Dental Insurance.**

**1. City Contribution.** Employees shall receive the maximum contribution per month toward the monthly premium rate for City's employee group medical and dental insurance plans, as set forth in Appendix "2," In the event that the actual monthly premium is less than the maximum contribution set forth in Appendix "2," City's contribution shall be the actual monthly premium amount and Employees shall not be required to make a contribution. Part-time Employees shall receive a prorated share of City's contribution for group medical and dental insurance, and may apply that contribution to medical and dental coverage, or to medical coverage or to dental coverage, so long as Part-time Employees qualify for coverage under the

terms of the insurance contract between the carrier and City. If the total cost for the medical or dental insurance coverage selected by Part-time Employees is less than City's prorated contribution, Part-time Employees shall not be eligible to receive the difference. Part-time Employees are eligible to receive a pro-rated share of any payments made to Employees who opt out of City's medical and dental insurance coverage pursuant to Section III of Appendix "3.

**B. Insurance Advisory Committee**

**1. Purpose.** The Insurance Advisory Committee ("Committee") will provide an ongoing review and periodic recommendations regarding the City's medical, dental and vision insurance plans ("Plan").

**2. Composition.** The Committee will be coordinated by a representative of the Human Resources and Risk Management Office. The Committee will consist of a maximum of two (2) representatives from each City insurance participant group. City Insurance Participant Groups include City's recognized bargaining units, City's unrecognized employee groups, and City Retirees and one (1) City Council Representative. Current employee representatives shall not be charged vacation or other leave time if Committee meetings are held during employee's normal work hours, nor shall employees receive overtime or call-back pay for service on the Committee. Retirees are not considered a separate participant group for purposes of overall plan rate increases or decreases, but are assigned to the participant group they retired from and become inclusive to that group.

**3. Annual Health Care Review.** Each recognized or unrecognized group may meet annually to review the Plan. The Committee may make advisory recommendations regarding any proposed Plan to the City Insurance Participant Groups and City Manager. The Committee will review proposed changes in the medical, dental and vision insurance plans, including, but not limited to, benefit levels, services provided, methods of cost containment, alternative plans and other related topics for consideration of an advisory ballot election. The Committee will have access to such non-confidential information as necessary to fulfill its purpose.

**4. Election.** An all City employee advisory vote may be initiated by the Committee or the City Manager. The City Clerk will conduct a secret advisory ballot election for all individuals in City Insurance Participant Groups, as defined above, within thirty (30) calendar days of a request regarding above changes. City Clerk will then report the results of the election to the City Manager and Committee.

**5. Approval of Modifications to the Plan.** Modifications of insurance premium cost-sharing arrangements are to be negotiated by individual bargaining groups. Committee recommendations and election results will be taken under advisement; however, final modifications must be approved by the City Manager.

**C. Life Insurance.** City agrees to provide Employees with term life insurance in the amount of one times the annual base salary, rounded to the next multiple of \$1,000, and the spouse, registered domestic partner and minor children of such Employees with term life insurance in the amount of \$1,500, the full cost of the premium for which shall be paid for by City.

**D. Long-Term Disability Insurance.**

**1. City Contribution.** City agrees to pay to the long-term disability insurance carrier, as defined herein, sixty percent (60%) of the monthly premium cost of the long-term disability insurance plan for each Employee participating in such plan with a minimum contribution of one percent (1%) of Employee salary. Employees agree that Employees participating in such plan shall pay the remaining forty percent (40%) of such monthly premium. If the total rate for the plan is less than the one percent (1%) minimum contribution set forth above, City's contribution shall be the actual premium amount, and participating Employees shall not be required to make a contribution. In no case shall the City's obligation exceed the actual premium cost of the plan.

**2. Payroll and Tax Treatment of Long Term Disability Insurance Premium.** In order to establish the long-term disability insurance premium as a post-tax employee contribution so that benefits which might be received by Employees would be treated as such for tax purposes, effective the first day of the first full pay period following City Council

approval of this MOU, the actual amount of the premium to be paid by the City as provided for above shall be withheld from Employee taxable earnings. In turn, the City will pay a bonus to Employees equal to the amount of the Employee premium contribution during the period in which the premium deduction is paid. Such bonus shall not be considered part of the Employee's regular salary for calculation of retirement, life insurance, or any other salary-based benefit, but shall serve only as a mechanism to establish the long-term disability insurance benefit as an Employee-paid benefit for tax purposes.

**E. Vision Insurance.**

**1. City Contribution.** City agrees to provide Employees with a vision insurance plan which provides vision care benefits, to Employee only, the full cost of the premium for which shall be paid by City.

**2. Access for Employee Paid Dependent Coverage.** City further agrees that an Employee may purchase vision insurance coverage for Employee's dependent spouse, registered domestic partner, and children, at Employee's sole cost and expense, through bi-weekly payroll deduction of the additional premium amount.

**3.3 Sick Leave.**

**A. Accrual - Generally.** Sick leave credit, which commences upon employment of the individual and may be accumulated without limitation, shall be granted to all Employees. However, except as otherwise provided herein below, upon termination from the service of the City, no compensation for accrued sick leave either in time off or pay shall be granted.

**B. Accrual Rate.** Employees shall accrue sick leave in the amount of eight (8) hours per month. Part-time Employees shall accrue a prorated amount of sick leave based on Full Time Equivalent of positions to which Employees are assigned.

**C. Utilization.**

**1. Utilization Rate.** Sick leave shall be deducted from an Employee's total amount of accrued sick leave on an hour-for-hour basis. If an Employee utilizes all of his or her accrued sick leave and is still unable to return to work due to illness or injury, such Employee shall automatically be placed on leave without pay, subject to the time restrictions set forth in

AP&P 13-24, unless the Employee advises the Finance Office to charge the additional sick time off against the Employee's accrued vacation balance, if any. Sick leave may be used for actual personal sickness of or injury to the Employee or an employee's family member as defined below, and for medical, dental and vision care appointments.

**2. Utilization for Illness of Family Members.** Employees may use their accrued sick leave for illness of family members. For purposes of this subparagraph, "family member" includes an employee's spouse, registered domestic partner, children, step-children, registered domestic partner's children, parents, step-parents, parents-in-law or other persons for whom an Employee is responsible for providing care, as approved by City's Human Resources and Risk Management Office.

**3. Job-Related Illness or Disability.** Employees who are off work as a result of a proven job-related illness or injury accepted as a Workers Compensation claim shall not have such time off charged against their accumulated sick leave.

**4. Use of Accrued Sick Leave Prior to Effective Date of Ordinary Disability Retirement.** Notwithstanding anything herein above to the contrary, Employees who are eligible to retire on an ordinary disability retirement, pursuant to the contract with the Public Employees' Retirement System, due to a non job-related illness or injury shall be entitled to utilize any or all of their accrued sick leave prior to the effective date of such retirement from City employment. However, except as otherwise provided in 3.3.E, no compensation of any kind or character shall be made for any accrued sick leave which may remain credited to such Employees on or after such effective date.

**D. Upon Service Retirement.** Upon service retirement, accumulated sick leave shall be credited to the Employee's retirement account in accordance with the provisions of the retirement plan referenced in 3.6., provided, however, should an Employee elect to convert any of such leave to cash pursuant to 3.3.E., the Employee's retirement sick leave credit shall be reduced commensurately.

**E. Sick Leave Conversion Upon Termination.** Upon retirement or termination in good standing, Employees may convert accrued sick leave to cash in accordance with the following schedule:

<u>Years of City Service</u>	<u>Maximum Conversion %/Maximum \$ Amount</u>
0-5 years	0
5-10 years	15% / \$1,500
10-15 years	30% / \$3,000
Over 15 years	60% / \$5,000

### **3.4 Other Leave.**

**A. Leave of Absence Without Pay.** Employees may apply to take a leave of absence without pay in conformance with the provisions of Administrative Procedure and Policy 13-24, entitled “Leaves of Absence (With or Without Pay),” as is in effect at the time the request is made.

**B. Leave With Pay for New Employees.** Notwithstanding anything in this paragraph to the contrary, the City Manager is authorized to approve up to a maximum of ten (10) days leave with pay during the first six (6) months of employment, for personal or health reasons, for newly appointed Employees as may from time to time be designated by the City Manager, not employed by the City at the time of their appointment, on a case by case negotiated basis. Such leave of absence with pay shall not be subject to accrual or compensation upon the termination of the six (6) month period.

**C. Leave with Pay - Birth or Adoption of Child.** In the event of the birth of a Employee's child or adoption of a child by an Employee, such Employee shall be entitled to a leave of absence with pay for a period of three (3) consecutive work weeks or one-hundred twenty (120) hours. Such leave must commence within one year of birth or adoption, the equivalent timeframe to FMLA/CFRA (Family Medical Leave Act/California Family Rights Act) protected periods. An Employee shall be eligible for a single leave period for the event of a birth or adoption, without regard to the number of children involved. The birth or adoption of multiple children at one time shall not create eligibility for more than one birth or adoption leave

period. Employees shall notify their Department Head as soon as possible after such births or adoption date as to which days Employee will be on birth or adoption leave.

**D. Leave With Pay - Less Than One Work Day or Shift.** In addition to the Management Leave set forth in 3.7, Employees may be granted leave with pay for periods of less than one work day or shift provided that such leave:

1. Is approved by the Employee's Department Head, or the City Manager, as appropriate.
2. Is not used in lieu of accrued sick leave.

### **3.5 Vacation.**

**A. Accrual and Utilization - Generally.** Employees who have served the City for a period of six (6) months or more shall be entitled to an annual vacation leave with pay. Such vacation leave shall be earned by the Employee in accordance with the schedule set forth in Appendix “3,” provided that such Employees, after satisfactorily completing six (6) months of service, shall be credited with vacation leave equal to the amount they would have accrued during a six-month period.

**B. Rate of Accrual.** Employees shall accrue vacation credit in accordance with the schedule in Appendix “3.” Part-time Employees shall accrue a prorated amount of vacation based on FTE of positions to which Employees are assigned.

**C. Termination of Additional Accrual.** Employees shall cease to accrue additional vacation when their accumulated vacation leave balance is equal to the Maximum Accrued Balance identified for their accrual rate in the attached Appendix “3.” Accrual shall commence again when the Employee’s accrued vacation balance drops below the maximum. Employee shall receive written notice from the City such termination of additional accrual. If an Employee is unable to utilize accrued vacation by reason of illness or disability, the City Manager shall approve a limited-time waiver of the termination of additional vacation accrual provisions, based on the written request of Employee.

**D. Effect of Termination of Employment.** Employees who terminate employment, or who are terminated, and who have completed satisfactorily at least six (6) months of service,



shall be paid in lump sum for all accrued vacation earned prior to the effective date of their termination. Said payment shall be determined by multiplying Employee's hourly rate of pay times the number of hours of accrued vacation credited to Employee at the time of termination. Employees with less than six (6) months of service shall not be paid for any accrued vacation.

**E. Effect of Rehire on Vacation Accrual.** Employees who left City employment in good standing, and who are subsequently rehired within twelve (12) months of their termination date, shall have their prior City service counted in determining length of service of vacation accrual rate determinations. Such credit for prior service shall apply only to the vacation accrual benefit calculation.

### **3.6 Retirement Plan.**

**A. Established and City Contribution Employees Hired Before January 1, 2013 or Classic Members.** Employees hired before January 1, 2013 or those Classic Members, as defined by CalPERS, shall receive the 3% at age 60 retirement benefit formula. Employees covered by this section shall contribute the employee contribution amount established by CalPERS for the 3% @ 60 Pension Formula. The required employee contribution as of the date of this MOU was eight percent (8%). The City shall not pay any portion of the required employee contribution.

**B. Employees Hired On or After January 1, 2013.** Employees hired on or after January 1, 2013, shall receive the 2% at age 62 retirement benefit formula. Employees covered by this section shall contribute the employee contribution rate of fifty percent (50%) of normal costs as established by CalPERS. The City shall not pay any employee contribution. Employees covered by this section who are classic members as defined by CalPERS may be eligible for a different pension formula.

**C. City Contribution.** City agrees to pay the benefit employer contribution as established by that certain "Contract Between the Board of Administration, Public Employees' Retirement System and the City Council of the City of Chico" which was in effect as of June 30, 2002, and to abide by all terms and conditions as established by such Contract so long as the contract exists between City and PERS.

**D. Consistency with PEPRA.** It is the intent of the parties that the terms set forth herein be consistent with the provisions of PEPRA, as it may be amended from time to time and, in the event of any inconsistency, that the provisions set forth in PEPRA shall prevail.

**E. CalPERS Election about Member's Payment of City's Pension Costs.** The parties acknowledge that CalPERS mandates an election of Management employees, separate from ratification of this MOU, to provide for the cost sharing pursuant to Government Code Section 20516 described in Section 3.6.F. As soon as practicable after the ratification of this MOU, the City will initiate the contract amendment process. Upon approval and agreement from the Management employees and completion of the City's amendment to the CalPERS contract, Management employee's contributions will be made pursuant to Government Code Section 20516, and shall extend beyond the expiration of this MOU. The Management employees and the City will take all actions necessary to implement the Government Code Section 20516 pension cost sharing agreement described in Section 3.6.F.

**F. Employee Cost Sharing of Additional Benefits.** Effective July 12, 2026, each employee covered by this MOU shall pay, through payroll deduction, six percent (6%) of PERSable compensation towards the City's costs, in addition to the amounts specified in 3.6.A. and B., toward the normal costs of pension benefits as permitted by Government Code Section 20516, and shall extend beyond the expiration of this MOU. If the contract amendment between the City and CalPERS is not completed as described in Section 3.6.E., the cost sharing, as described in this section, shall be implemented outside of a CalPERS contract amendment as authorized by Government Code Section 20516(f), and shall extend beyond the expiration of this MOU. Stated differently, the 2% cost-sharing percentage that was effective September 2022 shall be rolled back effective the first full pay period in July 2026.

### **3.7 Management Leave.**

**A. Basic Accrual.** In recognition of the fact that Employees are not compensated for hours worked in addition to the normal working hours, Employees shall receive ninety-six (96) hours Management Leave per calendar year. Employees hired or promoted into a Management position after the beginning of the calendar year shall receive a prorated amount of such Leave

on a "percentage of year remaining" basis. Part-time Employees shall accrue a prorated amount of Management Leave based on Full Time Equivalent of positions to which Employees are assigned.

**B. Additional Accrual.** In addition to the Management Leave set forth above, the City Manager may, upon recommendation of a Department Head, approve additional Management Leave on a case by case basis, up to a maximum of forty (40) additional hours per calendar year. Such additional Management Leave may be approved by the City Manager based upon a determination that the affected Employee is required to work a substantial amount of time beyond the time normally expected of Employees.

**C. Removal of Unused Management Leave.** Any Management Leave not taken by December 31 of any calendar year shall be removed, without compensation, from the Employee's payroll records; except that Employees who have received additional Management Leave pursuant to 3.7.B shall be allowed to retain and use such leave for up to six months following City Manager approval of the additional Management Leave accrual. Management leave shall be utilized in accordance with the applicable Administrative Procedure and Policy established by the City Manager. Employees who leave City employment with unused Management Leave shall not be eligible to receive payment for such leave.

### **3.8 Various Benefits.**

**A. Floating Holiday.** Employees shall accrue two (2) day or shift of Floating Holiday leave on January 1 of each year. Employees hired after October 1 of the calendar year shall not accrue Floating Holiday leave during the calendar year of their hire. Employees hired between January 1 and September 30 of the calendar year shall accrue two (2) day or shift of Floating Holiday leave at the time of their hire. Promoted Employees who have previously accrued Floating Holiday while represented by another City bargaining unit will be allowed to retain any remaining hours of Floating Holiday for their use while a Management Employee. Part-time Employees shall accrue a prorated amount of Floating Holiday based on Full Time Equivalent of the positions to which Employees are assigned. Any Floating Holiday leave not taken by December 31 of any calendar year shall be removed, without compensation, from the

Employee's payroll records. Employees who terminate with unused accrued Floating Holiday leave shall not be eligible to receive payment for such leave.

**B. FICA-Medicare Contribution.**

**1. Applicability Defined.** The Federal Insurance Contributions Act (FICA) mandates that employees hired after April 1, 1986 be covered by and make payroll contributions for the Medicare portion of the Act at a rate of 1.45% of salary. The City is also required to contribute 1.45% of salary for such coverage.

**2. Future Changes.** Notwithstanding anything herein above to the contrary, if in the future the Federal Government mandates that all City employees shall be covered by and make payroll contributions for the Medicare portion of FICA, Employees will be required to make such contributions, and the City's payment thereof shall terminate.

**C. Moving Expense Reimbursement.** The City Manager is authorized to reimburse, on a case by case negotiated basis, up to a maximum of \$1,500 in moving expenses for newly appointed Employees as may from time to time be designated by the City Manager, who reside outside of Butte County at the time of their appointment. The actual amount reimbursed shall be based upon, among other factors, the actual cost of moving, excluding meal and lodging costs, the distance of the move and the amount of the pay differential which results from appointment to a City position. Moving expense reimbursement shall be subject to applicable tax laws.

**D. Severance Benefits.** At the sole discretion of the City Manager, an individual severance benefit may be provided to an at-will Management Employee appointed to a permanent position in the event a determination is made to terminate the Management Employee. Such severance benefit shall not be the right of such terminated employee, but rather is an additional benefit that may be established based on the particular situation of the Management Employee, through negotiation with the City Manager. Such benefit may include compensation for wages, extension of health or other insurance coverage, or other benefits or payments that meet the individual needs of the terminated employee and the City. The maximum term of all components of such a severance benefit shall not exceed three months. The severance benefit

provided for by this paragraph shall not be payable in cases of retirement, or when termination is for medical reasons, and shall be in addition to any payments to which the employee is otherwise eligible and which are provided for in this pay and benefits MOU.

**E. Notary Public Certification.** Employees certified as a Notary Public, shall receive a stipend of twenty-five dollars (\$25.00) per month for the maintenance of such certification.

Signed and dated as follows:

For Management Employees:

<u>MaryJo Alonzo</u>	12/08/2025
MaryJo Alonzo	(Date)
<u>Robyn Ryan</u>	12/09/2025
Robyn Ryan	(Date)
<u>Nicholas Chand</u>	12/09/2025
Nicholas Chand (Dec 9, 2025 07:51:45 PST)	
Nick Chand	(Date)
<u>Tom Bahr</u>	12/09/2025
Tom Bahr	(Date)

For the City of Chico:

<u>Mark Sorensen</u>	12/09/2025
Mark Sorensen (Dec 9, 2025 10:00:03 PST)	
Mark Sorensen*	(Date)
City Manager	
* Authorized pursuant to CMC 2R.04.060	

APPROVED AS TO FORM:

Ryan Jones  
Ryan Jones, City Attorney\*\*

\*\* Approved pursuant to The Charter of the City of Chico, §906(D)

**MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF CHICO  
AND  
CHICO MANAGEMENT EMPLOYEES  
JANUARY 1, 2026 - DECEMBER 31, 2027 (2026 CME - MOU)**

**SCHEDULE OF JOB TITLES AND HOURLY PAY RATES  
APPENDIX "I"**

**Basic Pay Schedule (Effective July 12, 2026)**

POSITION TITLE	A	B	C	D	E	F	G	Biweekly		Annual	
								Low	High	Low	High
Accountant	\$54.51	\$57.24	\$60.10	\$63.10	\$66.26	\$69.57	\$73.05	\$4,360.80	\$5,844.00	\$113,380.80	\$151,944.00
Accounting Manager	\$57.52	\$60.40	\$63.42	\$66.59	\$69.92	\$73.42	\$77.09	\$4,601.60	\$6,167.20	\$119,641.60	\$160,347.20
Airport Manager	\$50.67	\$53.20	\$55.86	\$58.65	\$61.58	\$64.66	\$67.89	\$4,053.60	\$5,431.20	\$105,393.60	\$141,211.20
Assistant Park Manager	\$46.83	\$49.17	\$51.63	\$54.21	\$56.92	\$59.77	\$62.76	\$3,746.40	\$5,020.80	\$97,406.40	\$130,540.80
Assistant to the City Manager	\$46.83	\$49.17	\$51.63	\$54.21	\$56.92	\$59.77	\$62.76	\$3,746.40	\$5,020.80	\$97,406.40	\$130,540.80
Budget and Treasury Manager	\$57.52	\$60.40	\$63.42	\$66.59	\$69.92	\$73.42	\$77.09	\$4,601.60	\$6,167.20	\$119,641.60	\$160,347.20
Building Official	\$57.52	\$60.40	\$63.42	\$66.59	\$69.92	\$73.42	\$77.09	\$4,601.60	\$6,167.20	\$119,641.60	\$160,347.20
City Engineer	\$57.52	\$60.40	\$63.42	\$66.59	\$69.92	\$73.42	\$77.09	\$4,601.60	\$6,167.20	\$119,641.60	\$160,347.20
Cyber Security Analyst	\$50.67	\$53.20	\$55.86	\$58.65	\$61.58	\$64.66	\$67.89	\$4,053.60	\$5,431.20	\$105,393.60	\$141,211.20
Development Engineer	\$50.67	\$53.20	\$55.86	\$58.65	\$61.58	\$64.66	\$67.89	\$4,053.60	\$5,431.20	\$105,393.60	\$141,211.20
Economic Development Manager	\$57.52	\$60.40	\$63.42	\$66.59	\$69.92	\$73.42	\$77.09	\$4,601.60	\$6,167.20	\$119,641.60	\$160,347.20
Environmental Programs Manager	\$54.51	\$57.24	\$60.10	\$63.10	\$66.26	\$69.57	\$73.05	\$4,360.80	\$5,844.00	\$113,380.80	\$151,944.00
Facilities Manager	\$46.83	\$49.17	\$51.63	\$54.21	\$56.92	\$59.77	\$62.76	\$3,746.40	\$5,020.80	\$97,406.40	\$130,540.80
Financial Systems Engineer	\$50.67	\$53.20	\$55.86	\$58.65	\$61.58	\$64.66	\$67.89	\$4,053.60	\$5,431.20	\$105,393.60	\$141,211.20
Fleet Manager	\$46.83	\$49.17	\$51.63	\$54.21	\$56.92	\$59.77	\$62.76	\$3,746.40	\$5,020.80	\$97,406.40	\$130,540.80
Homeless Housing Coordinator	\$43.14	\$45.30	\$47.57	\$49.95	\$52.45	\$55.07	\$57.82	\$3,451.20	\$4,625.60	\$89,731.20	\$120,265.60
Housing Manager	\$57.52	\$60.40	\$63.42	\$66.59	\$69.92	\$73.42	\$77.09	\$4,601.60	\$6,167.20	\$119,641.60	\$160,347.20
Housing Program Analyst	\$43.14	\$45.30	\$47.57	\$49.95	\$52.45	\$55.07	\$57.82	\$3,451.20	\$4,625.60	\$89,731.20	\$120,265.60
Information Systems Manager	\$57.52	\$60.40	\$63.42	\$66.59	\$69.92	\$73.42	\$77.09	\$4,601.60	\$6,167.20	\$119,641.60	\$160,347.20
Laboratory Technical Manager	\$43.14	\$45.30	\$47.57	\$49.95	\$52.45	\$55.07	\$57.82	\$3,451.20	\$4,625.60	\$89,731.20	\$120,265.60
Management Analyst	\$43.14	\$45.30	\$47.57	\$49.95	\$52.45	\$55.07	\$57.82	\$3,451.20	\$4,625.60	\$89,731.20	\$120,265.60
Park and Natural Resources Manager	\$54.51	\$57.24	\$60.10	\$63.10	\$66.26	\$69.57	\$73.05	\$4,360.80	\$5,844.00	\$113,380.80	\$151,944.00
Payroll Manager	\$43.14	\$45.30	\$47.57	\$49.95	\$52.45	\$55.07	\$57.82	\$3,451.20	\$4,625.60	\$89,731.20	\$120,265.60
Principal Planner	\$57.52	\$60.40	\$63.42	\$66.59	\$69.92	\$73.42	\$77.09	\$4,601.60	\$6,167.20	\$119,641.60	\$160,347.20
Project Manager	\$46.83	\$49.17	\$51.63	\$54.21	\$56.92	\$59.77	\$62.76	\$3,746.40	\$5,020.80	\$97,406.40	\$130,540.80
Project Manager (Facilities)	\$46.83	\$49.17	\$51.63	\$54.21	\$56.92	\$59.77	\$62.76	\$3,746.40	\$5,020.80	\$97,406.40	\$130,540.80
Projects and Grants Manager	\$47.84	\$50.23	\$52.74	\$55.38	\$58.15	\$61.06	\$64.11	\$3,827.20	\$5,128.80	\$99,507.20	\$133,348.80
Public Information Officer	\$46.83	\$49.17	\$51.63	\$54.21	\$56.92	\$59.77	\$62.76	\$3,746.40	\$5,020.80	\$97,406.40	\$130,540.80
Public Works Administration Manager	\$46.83	\$49.17	\$51.63	\$54.21	\$56.92	\$59.77	\$62.76	\$3,746.40	\$5,020.80	\$97,406.40	\$130,540.80
Public Works Manager	\$50.67	\$53.20	\$55.86	\$58.65	\$61.58	\$64.66	\$67.89	\$4,053.60	\$5,431.20	\$105,393.60	\$141,211.20
Purchasing Manager	\$47.84	\$50.23	\$52.74	\$55.38	\$58.15	\$61.06	\$64.11	\$3,827.20	\$5,128.80	\$99,507.20	\$133,348.80
Regulatory Compliance Manager	\$54.51	\$57.24	\$60.10	\$63.10	\$66.26	\$69.57	\$73.05	\$4,360.80	\$5,844.00	\$113,380.80	\$151,944.00
Senior Civil Engineer	\$62.61	\$65.74	\$69.03	\$72.48	\$76.10	\$79.90	\$83.90	\$5,008.80	\$6,712.00	\$130,228.80	\$174,512.00
Senior Construction Inspector	\$46.83	\$49.17	\$51.63	\$54.21	\$56.92	\$59.77	\$62.76	\$3,746.40	\$5,020.80	\$97,406.40	\$130,540.80
Senior Development Engineer	\$62.61	\$65.74	\$69.03	\$72.48	\$76.10	\$79.90	\$83.90	\$5,008.80	\$6,712.00	\$130,228.80	\$174,512.00
Senior Human Resources Analyst	\$44.19	\$46.40	\$48.72	\$51.16	\$53.72	\$56.41	\$59.23	\$3,535.20	\$4,738.40	\$91,915.20	\$123,198.40
Senior Information Systems Analyst	\$50.67	\$53.20	\$55.86	\$58.65	\$61.58	\$64.66	\$67.89	\$4,053.60	\$5,431.20	\$105,393.60	\$141,211.20
Senior Communications Analyst	\$50.67	\$53.20	\$55.86	\$58.65	\$61.58	\$64.66	\$67.89	\$4,053.60	\$5,431.20	\$105,393.60	\$141,211.20
Senior Plans Examiner	\$54.51	\$57.24	\$60.10	\$63.10	\$66.26	\$69.57	\$73.05	\$4,360.80	\$5,844.00	\$113,380.80	\$151,944.00
Senior Planner	\$54.51	\$57.24	\$60.10	\$63.10	\$66.26	\$69.57	\$73.05	\$4,360.80	\$5,844.00	\$113,380.80	\$151,944.00
Senior Traffic Engineer	\$62.61	\$65.74	\$69.03	\$72.48	\$76.10	\$79.90	\$83.90	\$5,008.80	\$6,712.00	\$130,228.80	\$174,512.00
Urban Forest Manager	\$46.83	\$49.17	\$51.63	\$54.21	\$56.92	\$59.77	\$62.76	\$3,746.40	\$5,020.80	\$97,406.40	\$130,540.80
Wastewater Treatment Manager	\$57.52	\$60.40	\$63.42	\$66.59	\$69.92	\$73.42	\$77.09	\$4,601.60	\$6,167.20	\$119,641.60	\$160,347.20

**Basic Pay Schedule (Effective July 11, 2027)**

POSITION TITLE	A	B	C	D	E	F	G	Biweekly		Annual	
								Low	High	Low	High
Accountant	\$57.24	\$60.10	\$63.10	\$66.26	\$69.57	\$73.05	\$76.70	\$4,579.20	\$6,136.00	\$119,059.20	\$159,536.00
Accounting Manager	\$60.40	\$63.42	\$66.59	\$69.92	\$73.42	\$77.09	\$80.94	\$4,832.00	\$6,475.20	\$125,632.00	\$168,355.20
Airport Manager	\$53.20	\$55.86	\$58.65	\$61.58	\$64.66	\$67.89	\$71.28	\$4,256.00	\$5,702.40	\$110,656.00	\$148,262.40
Assistant Park Manager	\$49.17	\$51.63	\$54.21	\$56.92	\$59.77	\$62.76	\$65.90	\$3,933.60	\$5,272.00	\$102,273.60	\$137,072.00
Assistant to the City Manager	\$49.17	\$51.63	\$54.21	\$56.92	\$59.77	\$62.76	\$65.90	\$3,933.60	\$5,272.00	\$102,273.60	\$137,072.00
Budget and Treasury Manager	\$60.40	\$63.42	\$66.59	\$69.92	\$73.42	\$77.09	\$80.94	\$4,832.00	\$6,475.20	\$125,632.00	\$168,355.20
Building Official	\$60.40	\$63.42	\$66.59	\$69.92	\$73.42	\$77.09	\$80.94	\$4,832.00	\$6,475.20	\$125,632.00	\$168,355.20
City Engineer	\$60.40	\$63.42	\$66.59	\$69.92	\$73.42	\$77.09	\$80.94	\$4,832.00	\$6,475.20	\$125,632.00	\$168,355.20
Cyber Security Analyst	\$53.20	\$55.86	\$58.65	\$61.58	\$64.66	\$67.89	\$71.28	\$4,256.00	\$5,702.40	\$110,656.00	\$148,262.40
Development Engineer	\$53.20	\$55.86	\$58.65	\$61.58	\$64.66	\$67.89	\$71.28	\$4,256.00	\$5,702.40	\$110,656.00	\$148,262.40
Economic Development Manager	\$60.40	\$63.42	\$66.59	\$69.92	\$73.42	\$77.09	\$80.94	\$4,832.00	\$6,475.20	\$125,632.00	\$168,355.20
Environmental Programs Manager	\$57.24	\$60.10	\$63.10	\$66.26	\$69.57	\$73.05	\$76.70	\$4,579.20	\$6,136.00	\$119,059.20	\$159,536.00
Facilities Manager	\$49.17	\$51.63	\$54.21	\$56.92	\$59.77	\$62.76	\$65.90	\$3,933.60	\$5,272.00	\$102,273.60	\$137,072.00
Financial Systems Engineer	\$53.20	\$55.86	\$58.65	\$61.58	\$64.66	\$67.89	\$71.28	\$4,256.00	\$5,702.40	\$110,656.00	\$148,262.40
Fleet Manager	\$49.17	\$51.63	\$54.21	\$56.92	\$59.77	\$62.76	\$65.90	\$3,933.60	\$5,272.00	\$102,273.60	\$137,072.00
Homeless Housing Coordinator	\$45.30	\$47.57	\$49.95	\$52.45	\$55.07	\$57.82	\$60.71	\$3,624.00	\$4,856.80	\$94,224.00	\$126,276.80
Housing Manager	\$60.40	\$63.42	\$66.59	\$69.92	\$73.42	\$77.09	\$80.94	\$4,832.00	\$6,475.20	\$125,632.00	\$168,355.20
Housing Program Analyst	\$45.30	\$47.57	\$49.95	\$52.45	\$55.07	\$57.82	\$60.71	\$3,624.00	\$4,856.80	\$94,224.00	\$126,276.80
Information Systems Manager	\$60.40	\$63.42	\$66.59	\$69.92	\$73.42	\$77.09	\$80.94	\$4,832.00	\$6,475.20	\$125,632.00	\$168,355.20
Laboratory Technical Manager	\$45.30	\$47.57	\$49.95	\$52.45	\$55.07	\$57.82	\$60.71	\$3,624.00	\$4,856.80	\$94,224.00	\$126,276.80

**MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF CHICO  
AND  
CHICO MANAGEMENT EMPLOYEES  
JANUARY 1, 2026 - DECEMBER 31, 2027 (2026 CME - MOU)**

**SCHEDULE OF JOB TITLES AND HOURLY PAY RATES  
APPENDIX "I"**

Management Analyst	\$45.30	\$47.57	\$49.95	\$52.45	\$55.07	\$57.82	\$60.71	\$3,624.00	\$4,856.80	\$94,224.00	\$126,276.80
Park and Natural Resources Manager	\$57.24	\$60.10	\$63.10	\$66.26	\$69.57	\$73.05	\$76.70	\$4,579.20	\$6,136.00	\$119,059.20	\$159,536.00
Payroll Manager	\$45.30	\$47.57	\$49.95	\$52.45	\$55.07	\$57.82	\$60.71	\$3,624.00	\$4,856.80	\$94,224.00	\$126,276.80
Principal Planner	\$60.40	\$63.42	\$66.59	\$69.92	\$73.42	\$77.09	\$80.94	\$4,832.00	\$6,475.20	\$125,632.00	\$168,355.20
Project Manager	\$49.17	\$51.63	\$54.21	\$56.92	\$59.77	\$62.76	\$65.90	\$3,933.60	\$5,272.00	\$102,273.60	\$137,072.00
Project Manager (Facilities)	\$49.17	\$51.63	\$54.21	\$56.92	\$59.77	\$62.76	\$65.90	\$3,933.60	\$5,272.00	\$102,273.60	\$137,072.00
Projects and Grants Manager	\$50.23	\$52.74	\$55.38	\$58.15	\$61.06	\$64.11	\$67.32	\$4,018.40	\$5,385.60	\$104,478.40	\$140,025.60
Public Information Officer	\$49.17	\$51.63	\$54.21	\$56.92	\$59.77	\$62.76	\$65.90	\$3,933.60	\$5,272.00	\$102,273.60	\$137,072.00
Public Works Administration Manager	\$49.17	\$51.63	\$54.21	\$56.92	\$59.77	\$62.76	\$65.90	\$3,933.60	\$5,272.00	\$102,273.60	\$137,072.00
Public Works Manager	\$53.20	\$55.86	\$58.65	\$61.58	\$64.66	\$67.89	\$71.28	\$4,256.00	\$5,702.40	\$110,656.00	\$148,262.40
Purchasing Manager	\$50.23	\$52.74	\$55.38	\$58.15	\$61.06	\$64.11	\$67.32	\$4,018.40	\$5,385.60	\$104,478.40	\$140,025.60
Regulatory Compliance Manager	\$57.24	\$60.10	\$63.10	\$66.26	\$69.57	\$73.05	\$76.70	\$4,579.20	\$6,136.00	\$119,059.20	\$159,536.00
Senior Civil Engineer	\$65.74	\$69.03	\$72.48	\$76.10	\$79.90	\$83.90	\$88.10	\$5,259.20	\$7,048.00	\$136,739.20	\$183,248.00
Senior Construction Inspector	\$49.17	\$51.63	\$54.21	\$56.92	\$59.77	\$62.76	\$65.90	\$3,933.60	\$5,272.00	\$102,273.60	\$137,072.00
Senior Development Engineer	\$65.74	\$69.03	\$72.48	\$76.10	\$79.90	\$83.90	\$88.10	\$5,259.20	\$7,048.00	\$136,739.20	\$183,248.00
Senior Human Resources Analyst	\$46.40	\$48.72	\$51.16	\$53.72	\$56.41	\$59.23	\$62.19	\$3,712.00	\$4,975.20	\$96,512.00	\$129,355.20
Senior Information Systems Analyst	\$53.20	\$55.86	\$58.65	\$61.58	\$64.66	\$67.89	\$71.28	\$4,256.00	\$5,702.40	\$110,656.00	\$148,262.40
Senior Communications Analyst	\$53.20	\$55.86	\$58.65	\$61.58	\$64.66	\$67.89	\$71.28	\$4,256.00	\$5,702.40	\$110,656.00	\$148,262.40
Senior Plans Examiner	\$57.24	\$60.10	\$63.10	\$66.26	\$69.57	\$73.05	\$76.70	\$4,579.20	\$6,136.00	\$119,059.20	\$159,536.00
Senior Planner	\$57.24	\$60.10	\$63.10	\$66.26	\$69.57	\$73.05	\$76.70	\$4,579.20	\$6,136.00	\$119,059.20	\$159,536.00
Senior Traffic Engineer	\$65.74	\$69.03	\$72.48	\$76.10	\$79.90	\$83.90	\$88.10	\$5,259.20	\$7,048.00	\$136,739.20	\$183,248.00
Urban Forest Manager	\$49.17	\$51.63	\$54.21	\$56.92	\$59.77	\$62.76	\$65.90	\$3,933.60	\$5,272.00	\$102,273.60	\$137,072.00
Wastewater Treatment Manager	\$60.40	\$63.42	\$66.59	\$69.92	\$73.42	\$77.09	\$80.94	\$4,832.00	\$6,475.20	\$125,632.00	\$168,355.20

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
CITY OF CHICO  
AND  
CHICO MANAGEMENT EMPLOYEES  
REGARDING PAY, HOURS AND OTHER TERMS OF EMPLOYMENT  
FOR  
January 1, 2026 – DECEMBER 31, 2027  
(2026 CME-MOU)**

**APPENDIX “2”**

**HEALTH INSURANCE CARRIERS AND CONTRIBUTIONS**

**I. CARRIERS**

Employees shall be covered by the medical and dental insurance carriers on file with the Human Resources and Risk Management Office.

**II. CITY CONTRIBUTIONS**

The City shall make the following maximum contribution per month toward the monthly premium rate for City's employee group health and dental insurance plans, as defined herein. The amount of the Employee's contribution shall vary based on the medical plan selected by the Employee. In the event that the actual monthly premium is less than the maximum contribution set forth below, City's contribution shall be the actual monthly premium amount and Employees shall not be required to make a contribution. Any premium costs in excess of the City's contribution shall be paid by the Employee.

**Effective January 1, 2026**

MEDICAL						
City Contribution						
	EPO	PPO 90/10		PPO 80/20	HDHP	HSA
Single	797.29	797.29		591.81	598.00	78.14
Double	1,720.64	1,718.89		1,254.33	1,276.00	125.02
Family	2,204.53	2,203.66		1,626.80	1,647.00	156.27
Employee Contribution						
	EPO	PPO 90/10		PPO 80/20	HDHP	HSA
Single	125.71	125.71		261.19	0.00	---
Double	245.36	245.11		555.67	0.00	---
Family	324.47	324.34		704.20	0.00	---
DENTAL		PPO		PPO BUY-UP	VISION	
City Contribution						
Single		58.13		58.13	5.47	
Double		58.13		58.13	5.47	
Family		58.13		58.13	5.47	
Employee Contribution						
Single		19.37		51.27	0.00	
Double		19.37		51.27	4.66	
Family		19.37		51.27	10.24	



Health benefit premiums shall be shared proportionately between the City and CME based on the percent of the total premium cost used for current year premium contributions/deductions. It is understood that premium cost sharing is based on a proportionate percentage as defined below.

City Contribution Amounts						Employee Contribution Amounts					
	EPO	90/10	80/20	HDHP	Dental		EPO	90/10	80/20	HDHP	Dental
<b>EE Only</b>	86.38%	56.43%	69.38%	100.00%	75.00%	<b>EE Only</b>	13.62%	43.57%	30.62%	0.00%	25.00%
<b>EE + 1</b>	87.52%	56.14%	69.30%	100.00%	75.00%	<b>EE + 1</b>	12.48%	43.86%	30.70%	0.00%	25.00%
<b>Family</b>	87.17%	56.74%	69.79%	100.00%	75.00%	<b>Family</b>	12.83%	43.26%	30.21%	0.00%	25.00%

### III. EMPLOYEES NOT REQUIRED TO PARTICIPATE IN CITY'S INSURANCE PLAN.

Employees who have alternative group medical insurance coverage are not required to participate in City's medical insurance plan. Employees are required to provide verification of such alternative coverage to the Human Resources Office during the open enrollment period. Employees shall continue to provide verification during the open enrollment period in all subsequent years that Employees choose to opt out of City's medical insurance plan. Employees who opt out of City's medical insurance plan shall receive a payment of \$200.00 per month:

- A. Into Employee's Medical Flexible Spending Account established with the City's Section 125 Plan; or
- B. Into Employee's City deferred compensation account; or
- C. As cash to the Employee.

Employees who lose their alternative coverage shall be allowed to immediately enroll in City's medical insurance plan and shall no longer receive the \$200.00 per month payment.

**MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF CHICO  
AND  
THE CHICO MANAGEMENT EMPLOYEES  
JANUARY 1, 2026 - DECEMBER 31, 2027 (2026 CME-MOU)  
APPENDIX "3"**

**VACATION ACCRUAL**

Permanent, full-time Employees hired prior to January 1, 2014, shall accrue vacation credit in with the following schedule:

<b>Length of Service</b>	<b>Bi-weekly Accrual Rate</b>	<b>Annual Accrual Rate</b>	<b>Max Accrual Balance</b>
7th month through 36th month	3.08	80.08	320
37th month through 96th month	4.62	120.12	320
97th month through 108th month	4.93	128.18	320
109th month through 120th month	5.23	135.98	340
121st month through 132nd month	5.54	144.04	360
133rd month through 144th month	5.85	152.10	380
145th month through 156th month	6.16	160.16	400
157th month through 168th month	6.47	168.22	420
169th month through 180th month	6.78	176.28	440
181st month through 192nd month	7.09	184.34	460
193rd month through 204th month	7.39	192.14	480
205th month and forward	7.69	199.94	500

Permanent, full-time Employees hired on or after January 1, 2014, shall accrue vacation credit in accordance with the following schedule:

<b>Length of Service</b>	<b>Bi-weekly Accrual Rate</b>	<b>Annual Accrual Rate</b>	<b>Max Accrual Balance</b>
7th month through 36th month	3.08	80.08	320
37th month through 96th month	4.62	120.12	320
97th month through 108th month	4.93	128.18	320
109th month through 120th month	5.23	135.98	340
121st month through 132nd month	5.54	144.04	360
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169th month through 180th month	6.78	176.28	380
181st month through 192nd month	7.09	184.34	380
193rd month through 204th month	7.39	192.14	380
205th month and forward	7.69	199.94	380