

RESOLUTION NO. 13352

A RESOLUTION OF THE CITY OF CAMPBELL CITY COUNCIL AMENDING COMPENSATION AND WORKING CONDITIONS FOR CLASSIFIED NON-MANAGEMENT EMPLOYEES REPRESENTED BY THE CAMPBELL PEACE OFFICERS ASSOCIATION

WHEREAS, the Campbell Peace Officers Association (“CPOA”) is a recognized employee organization representing employees within the City of Campbell; and

WHEREAS, the City of Campbell (“City”) City Council retains sole authority to enter into a Memorandum of Understanding (“MOU”) with recognized employee organizations representing employees; and

WHEREAS, the City is currently operating pursuant to a 3-year MOU with CPOA, dated December 20, 2022, and

WHEREAS, that MOU expires on December 31, 2025; and

WHEREAS, in 2024, the City forecasted a budget deficit of between \$1.9 and \$3.9 million for FY 2026 through FY 2031; and

WHEREAS, in the fall of 2024, in anticipation of this budget deficit, the City included on the local ballot a general half-cent sales tax known as “Measure K” which was passed by Campbell voters on November 5, 2024, by an overwhelming 72% of the vote; and

WHEREAS, on January 6, 2025, the Silicon Valley Taxpayers’ Association and David H. Wolen (together, “SVTA”) filed a lawsuit against the City challenging the validity of Measure K; and

WHEREAS, as a result of the lawsuit, the tax revenue scheduled to be collected beginning in April 2025 has been held in an interest-bearing escrow account pending the outcome of the case and the City is not able to access the tax revenue unless and until said lawsuit is resolved in the City’s favor through a final non-appealable court decision; and

WHEREAS, in July 2025, the City and CPOA began labor negotiations; and

WHEREAS, the City and CPOA have met and conferred in good faith and worked together to ensure the City does not increase its budget deficit, remains fiscally responsible, and preserves permanent full-time positions; and

WHEREAS, on November 18, 2025, the City and CPOA reached a tentative agreement by way of a Second Side Letter Agreement providing as follows:

- The term of the MOU will be extended six months, from December 31, 2025 to June 30, 2026;
- Should the above-referenced lawsuit resolve in the City’s favor during the term of the extension, resulting in the release of the escrow funds to the City, the parties will commence successor MOU negotiations within fourteen (14) calendar days;
- Effective January 1, 2026, the monthly Cafeteria Plan Allowance will be set at the Kaiser Permanente Region 1 (“Region 1”) rates for 2026 with the City’s payment of the 2026

Cafeteria Plan Allowance, subject to an eight percent (8%) cap on any year-over-year increase to the Region 1 rates from plan year 2025. As such, for plan year 2026, the City's payment of the Cafeteria Plan Allowance will not increase by more than eight percent (8%) over the City's payment for plan year 2025. Employees who select a plan with rates higher than the City's Cafeteria Plan Allowance will be required to make up the difference through salary redirection;

- Meet and confer discussions regarding increases to employee compensation during or following the extension of the MOU may include a proposal that said increases will be retroactive to January 1, 2026; and
- Should the above-referenced lawsuit not result in the release of the escrow funds during the term of the extension, the parties will meet to discuss the extension by no later than May 15, 2026; and

WHEREAS, the City has satisfied its obligation under Government Code Section 3500, *et. seq.*, to meet and confer over the terms and conditions of employment contained in a recommended Second Side Letter Agreement with CPOA; and

WHEREAS, the Second Side Letter Agreement with CPOA has been approved and executed by the authorized representative of CPOA; and

WHEREAS, the City Council desires to ratify and adopt the provisions included in the Second Side Letter Agreement with CPOA.

NOW, THEREFORE, BE IT RESOLVED, that the City of Campbell City Council does hereby approve and ratify the Second Side Letter Agreement between the City and CPOA, attached hereto as **Attachment A**.

BE IT FURTHER RESOLVED, that the City of Campbell City Council does hereby authorize the City Manager and his delegates to execute the Second Side Letter Agreement with CPOA and to take any administrative actions necessary to implement the provisions of this resolution.

PASSED AND ADOPTED this 2nd day of December, 2025, by the following roll call vote:

AYES: Councilmembers: Bybee, Hines, Scozzola, Furtado, Lopez
NOES: Councilmembers: None
ABSENT: Councilmembers: None

APPROVED:



Sergio Lopez, Mayor

ATTEST:

Andrea Sanders, City Clerk

Second Side Letter Agreement
Between
City of Campbell
And
Campbell Peace Officers Association

This Second Side Letter Agreement (Second Side Letter) between the City of Campbell (City) and the Campbell Peace Officers Association (CPOA), collectively referred to as “Parties,” is hereby entered into with respect to the following:

WHEREAS, on December 20, 2022, the City Council adopted Resolution No. 12926 approving and ratifying a three-year “Memorandum of Understanding on Wages, Employee Benefits, Hours and Other Terms and Conditions of Employment” (MOU) between the Parties, effective January 1, 2023; and

WHEREAS, on April 16, 2024, the City Council adopted Resolution No. 13148 approving a “Side Letter Agreement” (Side Letter) between the Parties amending Section III.E of the MOU to provide for the automatic transfer of unused sick leave to CPOA members’ respective CALGOVEBA accounts upon a member’s termination, retirement, or death; and

WHEREAS, the amended MOU between the Parties will expire on December 31, 2025; and

WHEREAS, a lawsuit has been filed against the City challenging the validity of the City's Measure K; and

WHEREAS, as a consequence of said lawsuit, the tax revenue being collected beginning April 2025 is being held in an escrow account pending the outcome of the lawsuit; and

WHEREAS, the City is not able to access the tax revenue until a court of competent jurisdiction renders a final and non-appealable judgement that the tax is valid; and

WHEREAS, the City is forecasted to face a budget deficit in Fiscal Year 2026 / 2027;

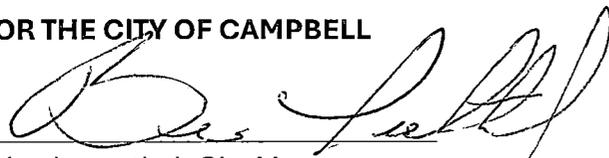
NOW THEREFORE, the Parties have met and conferred in good faith and agree to the following:

1. The term of the amended MOU is extended from December 31, 2025 to June 30, 2026, with successor memoranda of understanding between the City and the

CPOA to follow the fiscal year and be effective from July 1 to June 30 of any agreed upon years.

2. Should the above-referenced lawsuit resolve in the City's favor during the term of the extension, resulting in the release of the escrow funds to the City, the Parties will commence successor MOU negotiations in accordance with State law. The Parties agree to meet to commence said successor negotiations within fourteen (14) calendar days of the escrow funds being released to the City.
3. Absent negotiated changes to the amended MOU pursuant to paragraph two above, the terms and conditions in the amended MOU will remain status quo for the duration of the extension, with the exception of those benefits provided for in Section III.A.2 of the amended MOU entitled "Cafeteria Plan Allowance."
4. With regard to the benefits provided for in Section III.A.2 of the amended MOU, the Parties agree that effective January 1, 2026, the monthly Cafeteria Plan Allowance will be set at the Kaiser Permanente Region 1 rates for 2026 at the employee's selected level of coverage unless the 2026 rates are eight percent (8%) higher than the City's 2025 contribution. If the year-over-year rate increase exceeds 8% of the City's 2025 contribution, the City's Cafeteria Plan Allowance shall be eight percent (8%) higher than the 2025 contribution. Employees who select a plan with rates higher than the City's Allowance will be required to make up the difference through salary redirection.
5. The Parties understand that meet and confer discussions regarding increases to employee compensation during or following the extension of the amended MOU may include a proposal that said increases will be retroactive to January 1, 2026.
6. Should the above-referenced lawsuit not result in release of the escrow funds during the term of the extension, the Parties will meet to discuss the extension no later than May 15, 2026.
7. This Second Side Letter is subject to CPOA ratification and subsequent approval by the City Council.

FOR THE CITY OF CAMPBELL



Brian Loventhal, City Manager

12/2/25
Date

FOR Campbell Peace Officers Association (CPOA)



President of CPOA

11/17/2025
Date