



City of Oceanside

300 North Coast Highway,
Oceanside, California 92054

Staff Report

File #: 26-1624

Agenda Date: 8/19/2026

Agenda #: 13.

DATE: August 19, 2026

TO: Honorable Mayor and City Councilmembers

FROM: Human Resources Department

TITLE: RESOLUTION APPROVING AND IMPLEMENTING THE MEMORADUM OF UNDERSTANDING BETWEEN THE CITY OF OCEANSIDE AND THE OCEANSIDE CITY EMPLOYEES' ASSOCIATION (OCEA)

RECOMMENDATION

Staff recommends that the City Council adopt a resolution approving and implementing the Memorandum of Understanding between the City of Oceanside and the Oceanside City Employees' Association retroactively effective July 1, 2026, through June 30, 2028.

BACKGROUND AND ANALYSIS

The Oceanside City Employees' Association (OCEA) represents approximately 305 employees in various classifications throughout the City. The previous Memorandum of Understanding (MOU) between the City and OCEA expired on June 30, 2026. The City's negotiating team and OCEA representatives began negotiations for a successor MOU in April 2026 and met and conferred in good faith over the following four months. On July 17, 2026, the City issued a Last, Best and Final Offer package proposal, which was subsequently rejected by 81% of OCEA members who participated in the vote. The parties thereafter resumed negotiations, exchanged additional proposals, and the City issued a revised Last, Best, and Final Offer package proposal. OCEA held a ratification vote on August 11, 2026, and the revised proposal was approved by a simple majority of voting members. The proposed MOU has a two-year term from July 1, 2026, through June 30, 2028, and includes compensation changes and contract language clarifications consistent with City Council authority.

The key economic issues in the agreement include:

1) Salary:

Effective the first full pay period following adoption of this successor MOU, a 4% increase to each step of the salary schedules for all classifications represented by OCEA.

Effective the first full pay period in July 2027, a 2% increase to each step of the salary schedules for all classifications represented by OCEA.

Effective the first full pay period in January 2028, a 1.0% increase to each step of the salary

schedules for all classifications represented by OCEA.

- 2) Health Insurance: Effective October 2026, the City's total contribution towards health insurance for all unit members shall be:

Cap	Employee Only	Employee+1	Employee+ Family
Kaiser	\$750	\$1,275	\$1,725
PPO Dental	\$55.00	\$85.00	\$125

Effective October 2027, the City's total contribution towards health insurance for all unit members shall be:

Cap	Employee Only	Employee+1	Employee+ Family
Kaiser	\$787.50	\$1,338.75	\$1,811.25
PPO Dental	\$57.75	\$89.25	\$131.25

- 3) Effective the first full pay period following adoption of this MOU by the Oceanside City Council the following classifications will receive a special salary adjustment (additive, not compounding) as specified below:

Automotive Tech III	1.5%
Wastewater Plant Operator III	1.5%
Advanced Water Plant Operator III	1.5%

- 4) Effective the first full pay period following adoption of this MOU by the Oceanside City Council:

Addition of the California Association of Code Enforcement Officers ([CACEO](https://www.caceo.us/)
<<https://www.caceo.us/>>) certification. - \$1.00 per hour.

- 5) Effective first full pay period following adoption of the MOU by the Oceanside City Council, the City shall increase the deferred compensation contribution from \$38.46 per pay period (\$1,000 annual maximum) to \$44.23 (\$1,150 annual maximum).

FISCAL IMPACT

Ongoing Costs:

Fiscal Year 2026-27

\$ 1,799,039

Fiscal Year 2027-28	<u>1,219,270</u>
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<u>Total Agreement (Net New) Costs:</u>	<u>\$ 3,018,309</u>
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COMMISSION OR COMMITTEE REPORT

Does not apply.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

Prepared by: Robert O'Brien, Deputy City Manager

Reviewed by: Jill Moya, Financial Services Director

Submitted by: Jonathan Borrego, City Manager

ATTACHMENTS:

1. OCEA Resolution
2. MOU