

Side Letter Agreement #4  
Between the CITY OF EL MONTE  
And the Police Mid-Management Association

The City of El Monte (City) and the Police Mid-Management Association (PMMA) have agreed to the following amendments to the current July 1, 2007 – December 31, 2012, Memorandum of Understanding (MOU) between the parties:

1. Eliminate language in existing MOU for active employee's health insurance allowance that specifies "Kaiser Family Rate". This will be replaced with language that indexes the allowance to the "Los Angeles Area (Los Angeles, San Bernardino, and Ventura County) Lowest Cost HMO Family Rate offered by CalPERS" effective January 1, 2013.
2. Any employee that is eligible to retire under the CalPERS Retirement System will remain on the Kaiser Family Rate subject to the employee submitting a written signed letter of retirement by June 30, 2012, stipulating a retirement date of no later December 31, 2013.
3. Reduce annual Holiday Bank by 20 hours from 130 hours to 110 hours. Effective July 1, 2012, the Bank will be reduced by 10 hours for the remainder of the calendar year. If for any reason an employee has used all their allotted Holiday Hours, ten (10) hours will be taken from accrued vacation hours. Effective January 1, 2013, the Bank will be reduced by 20 hours.
  - Existing Holiday Pay Out language will remain intact.
  - Personal Leave Hours will increase from 30 to 50 hours per calendar year.
  - On July 1, 2012, Personal Leave hours will increase by ten (10) hours.

Employees will be paid for the following eleven (11) Holidays:

- New Year's Day (January 1)
- Martin Luther King, Jr. Birthday (3<sup>rd</sup> Monday in January)
- President's Day (3<sup>rd</sup> Monday in February)
- Memorial Day (4<sup>th</sup> Monday in May)
- Independence Day (4<sup>th</sup> of July)
- Labor Day (1<sup>st</sup> Monday in September)
- Veteran's Day (November 11)
- Thanksgiving Day (4<sup>th</sup> Thursday in November)
- Day before Christmas (December 24)
- Christmas Day (December 25)
- Day before New Year's (December 31)

The Holiday Time Benefit will continue to be administered pursuant to the Leave Policy and MOU Leaves language.

Any unused and earned Holiday Bank Hours will be paid out, according to Holiday Pay Out language in respective MOU.

Any employee that is eligible to retire under the CalPERS Retirement System will not have Holiday Hours deducted (as stipulated above) if, they submit a written signed letter of retirement by June 30, 2012, stipulating a retirement date of no later December 31, 2013.

Employees who elect this option may also elect to transfer all unused (100%) of accumulated sick leave hours to CalPERS Service Credit.

4. Extend existing MOU three (3) years through December 31, 2015. Collective bargaining unit negotiations will commence six (6) months prior to MOU expiration date.
5. The "New Normal" of El Monte Municipal Budget:

The City seeks to maintain fiscally responsible operation costs. As such, the City has targeted to achieve and maintain a minimum \$10 million working capital reserve in the General Fund.

Once this level of reserves is achieved, the City will provide the following negotiated salary increases/benefits, so long as the minimum levels of reserves and projected revenues equal expenditures. The following items will be addressed in the following priority order:

1. Furlough Time will be addressed first to reduce or eliminate prior to Number 2.
  2. Medical Cafeteria plan reduction of \$100/\$200 Respective of bargaining group will end.
6. The previously agreed upon medical cafeteria plan reduction of \$100 per month will continue through and expire at the end of this agreement, December 31, 2015.

Salary Increases that have been previously agreed upon but have been delayed in previous side letters will continue to be delayed through the end of this agreement, December 31, 2015 and unless agreed otherwise, will be provided at the end of this agreement, commencing the first full pay period following December 31, 2015.

7. If any new full time employee is hired on or after July 1, 2012, upon retirement, will be eligible to purchase medical benefits at City rates and will receive a

Retiree Medical Subsidy equal to the CalPERS required minimum contribution. This will be for any new employee to the City of El Monte. The rates will be the CalPERS rates – not the City rates. This is for a Regular Service Retirement and not an Industrial Disability Retirement. It is to include existing vesting language.

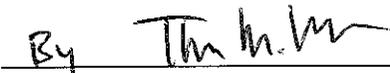
8. Any new full time employee hired on or after July 1, 2012, will be allowed to accrue a maximum of three hundred and sixty (360) hours of vacation leave. If an employee's accrued but unused vacation leave exceeds 360 hours, the employee will be paid out the hours in excess of this limit on the following pay period.
9. All new employees hired on or after January 1, 2013 will be subject to the "3%@55" Retirement Plan through the California Public Employee Retirement System (CalPERS) with the City paying the employee contribution. Should the 3%@55 Retirement Plan Option become unavailable, then the EMPOA and City will meet and agree upon the appropriate plan to enroll in; however, at no time will the employee be subject to an option with a lower benefit unless no other option is available.
10. The parties agree that this Side Letter Agreement is subject to ratification by the PMMA membership and approval by the City Council. Each party warrants that each person below has the authority to execute this Side Letter Agreement on behalf of their bargaining unit. Except for the terms provided above, the current MOU shall remain in effect.

By:   
René Bobadilla, City Manager

By:   
Eric Stanley, PMMA President

Date: 5/10/12

Date: 5-10-12

Approved as to Form: By   
Ricardo R. Olivarez, City Attorney

Date: 5-10-12

Side Letter Agreement #3  
Between the CITY OF EL MONTE  
And the Police Mid-Management Association

The City of El Monte (City) and the Police Mid-Management Association (PMMA) have agreed to the following amendments to the current July 1, 2007 – December 31, 2010 Memorandum of Understanding (MOU) between parties.

All other terms and conditions of the MOU for July 1, 2007 – December 31, 2010, and any Amendments (Side Letter Agreements) thereto shall remain in force and effect, except as to the specific change as stated below.

1. Pay raises consisting of 4%, which was due July 1, 2009 and 2%, which is due July 1, 2010, and 1% that was due January 2010, will be deferred and not accrued.

PMMA will defer (and not accrue) salary wage increases, until the City's General Fund has achieved a sustainable, structural budgetary surplus, accrued adequate levels of reserves, and commenced making payments toward its OPEB (e.g. retirement medical benefits) liability.

Structural Budgetary Surplus - the General Fund generates a minimum of a 2% net surplus (Revenues over Expenses) over a minimum of a six month period. There must be a demonstrated and sustainable revenue collection pattern, as well as stable expenditure patterns (e.g., no State takeaways, major one-time expenses, contingent liabilities, etc.). This shall include one-time revenues (e.g. property sales, collecting and delinquencies) and Sales Tax Revenues for which all excess Sales Tax revenues above FY 2008-2009 (\$16 million) with annual CPI adjustment shall be first deposited into reserves and then applied toward the City's OPEB liability.

Adequate Levels of Reserves:

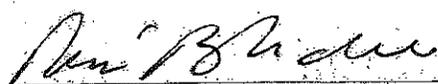
- The City's unrestricted and undesignated Fund Balance is equal to a minimum of 10% of the annual General Fund Budget or \$5.0 million.
- Working Capital Reserve is equal 60 days of average annual expenditures.
- Emergency Reserve shall equal \$1.0 million.

The City will deposit a commensurate share of one-time surplus revenues (not generated as a result of land sales or economic development efforts), and once adequate reserves have been established, into a separate OPEB Trust established exclusively for the PMMA's member. A commensurate share shall be defined as: the amount of salary increase deferred (and not deposited into an OPEB account) by each MOU for each calendar year.

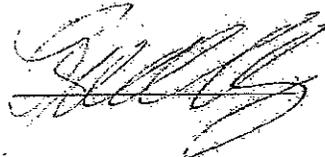
2. Medical Insurance. Effective July 1, 2010 the City shall reduce the amount it is required to contribute toward medical insurance by \$100 per month. Effective July 2012, the \$100 reduction shall cease and the City shall again pay the amount required pursuant to the MOU.
3. The expiration of the MOU shall be December 31, 2012.
4. The City and PMMA agree to meet on a quarterly basis to evaluate the City's finances and to verify the conditions as set under "Adequate Levels of Reserves."
5. Effective July 1, 2010, PMMA members shall be guaranteed the equivalent if any other City employee, who belongs to a Bargaining Unit, receives any deferred raises or benefits contractually agreed upon in their existing MOU or Side Letter Agreements.

The Side Letter is subject to ratification by the PMMA membership and approval by the City Council. Each party warrants that each person below has the authority to execute this Agreement on behalf of their constituents. Except for the terms provided above, the current MOU shall remain in effect.

\* The MOU for July 1, 2007 – December 31, 2010, by and between the PMMA and the City of El Monte has been previously modified by Side Letter Agreement #1 dated July 14, 2009; and Side Letter Agreement #2 dated February 23, 2010.

By:  By:   
 René Bobadilla PMMA President

Date: 6/24/10 Date: 6/23/10

Approved as to Form:  Date: 6/24/10  
 Ricardo R. Olivarez  
 Interim City Attorney

Side Letter Agreement #2\*  
Between the CITY OF EL MONTE  
And the Police Mid-Management Association

The City of El Monte (City) and the El Monte Police Mid-Management Association (PMMA) have agreed to the following amendment to the current July 1, 2007 – December 31, 2010, Memorandum of Understanding (MOU) between parties.

All other terms and conditions of the MOU for July 1, 2007 – December 31, 2010, and any Amendments (Side Letter Agreements) thereto shall remain in force and effect, except as to the specific change as stated below:

1. Effective February 1, 2010 through June 30, 2010, each PMMA unit member will defer the salary differential (i.e. 1% salary increase) granted to them per *Article Two – Salaries and Compensation Section I – Police Sworn Classification Salary Differentials*, which states:

"Established Salary Differentials

*As limited by the salary matrix established as part of the City's overall compensation plan, the City agrees to establish and pay the following salary differentials between the following sworn police classifications:*

<u>Classification</u>	<u>Salary Differentials</u>
<i>Police Sergeant (top step salary) (base Pay + 16% POST certificate pay) to Police Lieutenant.</i>	<i>Police Lieutenant – step to step, 20% or next step whichever is higher.</i>
<i>Police Lieutenant to Police Captain</i>	<i>Police Captain – 15% or next step, Whichever is higher."</i>

2. For the purposes of this Side Letter Agreement, this will affect the following PMMA unit members:
  - Five (5) Lieutenants
  - Three (3) Captains

\* The MOU for July 1, 2007 – December 31, 2010, by and between the PMMA and the City of El Monte has been previously modified by Side Letter Agreement #1 dated July 14, 2009.

By: René Bobadilla  
René Bobadilla

By: Man Vail 418  
PMMA President

Date: 2/23/10

Date: 2/18/10

Approved as to Form: E. Clarke Moseley  
E. Clarke Moseley  
City Attorney

Date: 3-10-10

Side Letter Agreement #1\*  
Between the CITY OF EL MONTE  
And the El Monte Police Mid-Management Association

The City of El Monte (City) and the El Monte Police Mid-Management Association (PMMA) have agreed to the following amendments to the current July 1, 2007 – December 31, 2010 Memorandum of Understanding between the parties.

1. Effective July 1, 2009, the PMMA agrees to the deferral of the PMMA's four percent (4%) pay increase currently scheduled for July 1, 2009 to the later date of July 1, 2010.
2. Effective July 1, 2009, the PMMA agrees the City shall contribute the three (3) party PERS Health Kaiser family premium for Los Angeles County towards the cost of health insurance for each unit employee less \$200, until July 1, 2010. However, if the unit employee lives in the area defined by PERS as "Other Southern California Counties" that three (3) party PERS Health Kaiser family premium applies less \$200, until July 1, 2010. Effective July 1, 2010, the \$200 medical benefit reduction will be restored to its current rate.
3. The City agrees to provide a 90 calendar day period between the Notice of Intent to Layoff and the actual separation date of any future layoffs of unit employees covered under the current PMMA MOU with the City. This does not apply to unit employees affected by the July 2009 Layoffs and Displacement Process. This only applies to unit employees affected by a Layoff not a Displacement by way of an employee exercising his/her bumping rights.
4. The PMMA agrees to meet with City Representatives prior to July 1, 2010, to discuss the City's fiscal situation and the continuance of any financial reductions as set forth in this agreement.
5. This side letter is subject to ratification by the PMMA membership and approval by the City Council. Each party warrants that each person below has the authority to execute this agreement on behalf of their bargaining unit. Except for the terms provided above, the current MOU shall remain in effect.

By: James W. Mussenden  
James W. Mussenden  
City Manager

Date: 7-14-09

Approved As to Form: E. Clarke Moseley  
E. Clarke Moseley  
City Attorney

Date: July 14, 2009

By: [Signature]  
President

Date: 7-14-09

By: [Signature]  
Vice President

Date: 7-14-09



# City of El Monte



## INTER-DEPARTMENTAL COMMUNICATION

CITY MANAGER'S OFFICE

July 2, 2009

TO: Honorable Mayor and City Council

FROM: James W. Mussenden, City Manager *JWM*  
Dante G. Hall, Assistant City Manager *DGH*

Prepared by: Amelia Ayala, Human Resources Director

SUBJECT: Amendments to Memoranda of Understanding regarding El Monte Police Officers' Association; El Monte Police Mid-Managers' Association; SEIU, Local 721; and El Monte General Mid-Managers' Association related to 2009-2010 Budget.

### Recommendation:

That the City Council of the City of El Monte approve the attached Side Letter Agreements between the City and the Service Employees International Union, Local 721, El Monte Police Officers' Association; El Monte Police Mid-Managers' Association; and El Monte General Mid-Managers' Association related to the 2009-2010 Budget.

### Discussion:

In light of the City's current budgetary difficulties and in accordance with California Government Code Section 3505, the City Manager and other City staff members met and conferred with the four respective bargaining units to consider cost savings measures. These Agreements will provide savings to the City's general fund budget, and give the City time to recover from the recent economic downturn.

### Fiscal Impact:

The changes proposed in the side letter agreements for each respective bargaining unit will reduce maintenance and operation expenditures and allow the City to meet its budgetary goals.

JUL 07 2009

PRESENTED TO EL MONTE CITY COUNCIL	
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<input type="checkbox"/>	DENIED 5-0
<input type="checkbox"/>	PULLED
<input type="checkbox"/>	RECEIVE AND FILE
<input type="checkbox"/>	CONTINUED
<input type="checkbox"/>	REFERRED TO
CHIEF DEPUTY CITY CLERK	

