



Human Resources Department

TO: SANDY HESS, ADMINISTRATIVE MANAGERS' GROUP
FROM: DAWN VILLARREAL, DIRECTOR OF HUMAN RESOURCES
SUBJECT: SIDE LETTER OF AGREEMENT: COST SAVING MEASURES
DATE: MAY 18, 2009

This side letter will confirm the agreements reached between the City of Vacaville and the Administrative Managers' Group (AMG) through the recent meet and confer process regarding cost saving measures. This agreement was approved by Council on May 12, 2009. The City and AMG have agreed to the following as an equivalent to a two-day furlough, equal to a 9.23% savings for the City:

- TERM: The term of this side letter is June 1, 2009 through June 30, 2010.
- SICK LEAVE BUYBACK:
 - All AMG members shall forgo participation in Sick Leave Buyback to include award earned in 2008 and cashed out in 2009, and earned in 2009 and cashed out in 2010 (equivalent to .19%).
- VACATION:
 - All AMG members shall forgo the Vacation Cashout to include vacation earned in 2008 and cashed out in 2009, earned in 2009 and cashed out in 2010 (equivalent to .17%).
- ADMINISTRATIVE LEAVE:
 - All AMG members shall forgo the Cashout of Administrative Leave. The Administrative Leave hours will continue to accrue, but not available to be cashed out. The current accrual cap is 80 hours, but that will be removed for the term of this agreement (equivalent to 1%).
- MISCELLANEOUS:
 - Performance Award Pay: All AMG members shall forgo the Performance Award Pay to include award earned in 2008 and awarded in 2009, earned in 2009 and awarded in 2010 (equivalent to 1%).
 - Deferred Compensation:
 - Beginning June 1, 2009, the City contribution to Deferred Compensation shall be reduced from 3% to 1% (equivalent to 2%).
 - The scheduled increase on January 1, 2010 to Deferred Compensation of .5% shall not be implemented.
- FURLOUGH:
 - Beginning June 2009 through the term of this agreement, all AMG members will participate in one scheduled furlough day per month (equivalent to 4.6%).
 - City Hall will be closed the first Friday of every month, beginning June 5, 2009. If a holiday falls on that Friday, the furlough day will be the following Monday as shown below.

- Friday, June 5, 2009
 - Monday, July 6, 2009
 - Friday, August 7, 2009
 - Friday, September 4, 2009
 - Friday, October 2, 2009
 - Friday, November 6, 2009
 - Friday, December 4, 2009
 - Monday, January 4, 2010
 - Friday, February 5, 2010
 - Friday, March 5, 2010
 - Friday, April 2, 2010
 - Friday, May 7, 2010
 - Friday, June 4, 2010
- A day is equivalent to 7.5 hours or 8 hours; depending on the employees' current work schedule.
 - The week that AMG members furlough, they are considered non-exempt for the purposes of FLSA and they must manage their hours accordingly so they do not go over the regularly scheduled hours in that week. Any overtime must be approved by their supervisor in advance.
 - In the event an AMG employee is required to work on the scheduled furlough day City Hall is closed, it is the responsibility of the employee and his/her supervisor to schedule an alternate furlough day off during the same period.
- Beginning June 1, 2009 through the term of this agreement, a bank of 1 day per month will be granted to each AMG member to be used as floating days off.
 - One day must be taken off per month (in addition to the scheduled furlough day). If the day is not taken by the end of the month, the hours are forfeited, unless approved by the Department Head in advance on a case-by-case basis.
 - A day is equivalent to 7.5 hours or 8 hours; depending on the employees' current work schedule.
 - It is understood that the floating furlough day does not impact the FLSA exempt status of the designated exempt AMG classification.
 - Furlough days shall not vest with the employee.
 - No furlough days shall be carried over past the term of this agreement.
 - Prior to June 1st, the City will develop an administrative procedure for administration of furloughs that will include further details on timesheet reporting, etc.

The City Council and bargaining units will be provided with quarterly budget updates. The parties agree that if the City does not achieve the needed savings through the cost saving measures described above the City will request to meet with AMG to obtain further cost reductions, which may include additional furlough days and/or layoffs, on the condition that the City will have similar discussions with other bargaining units.

The City will request to meet in the event it becomes necessary to extend this agreement beyond June 30, 2010.

For the City of Vacaville:

For the Administrative Managers Group:

Signature on File

Dawn Villarreal
Human Resources Director

Signature on File

Sandy Hess

Date: **5/21/09**

Date: **5/21/09**