



Human Resources Department

TO: CRAIG ISHAM, VMO PRESIDENT
FROM: DAWN VILLARREAL, DIRECTOR OF HUMAN RESOURCES
SUBJECT: SIDE LETTER OF AGREEMENT: COST SAVING MEASURES
DATE: JUNE 11, 2009

This side letter will confirm the agreements reached between the City of Vacaville and the Vacaville Managers Organization (VMO) through the recent meet and confer process regarding cost saving measures. The City and VMO agree to the following as an equivalent to a two-day furlough, equal to a 9.23% savings for the City. All terms and conditions of the current VMO MOU that are not specifically addressed herein shall remain in full effect. This agreement was approved by Council on May 12, 2009.

Term: June 1, 2009 through May 30, 2011 (one month prior to the end of the current MOU).

Section 11. Salaries

11.2 Performance Awards

All unit employees shall forgo the Performance Awards to include award earned in 2008 and awarded in 2009, earned in 2009 and awarded in 2010 only - Section 11.2 (equivalent to 1% annually).

Section 13. Retirement Plan

13.1 PERS Retirement

Effective June 1, 2009, for the term of this agreement, all unit employees shall contribute 4.49% toward the PERS Employer contribution.

- VMO members will continue to pay their 7% Employee contribution toward PERS and the 2% Employee contribution toward PARS. This additional 4.49% contribution will go toward the PERS Employer contribution. The additional contribution will be made on a pre-tax basis.

13.2 Deferred Compensation

Beginning June 1, 2009, effective for the term of this agreement, the 3% City contribution toward Deferred Compensation shall cease; however, in accordance with the current MOU, effective January 1, 2010 the City will contribute upon a matching amount one-half percent (0.5%) and effective January 1, 2011 the City contribution upon a matching amount will be an additional one-half percent (0.5%). The City will resume its matching contribution to the full four percent (4%) upon expiration of this side letter.

Section 15. Vacation

15.6 Vacation Cash Out

All unit employees shall forgo the Vacation Cash Out to include vacation earned in 2008 and cashed out in 2009, earned in 2009 and cashed out in 2010 only (equivalent to .41% annually).

Section 16. Sick Leave

16.8 Sick Leave Incentive

All unit employees shall forgo participation in Sick Leave Incentive to include sick leave earned in 2009 and cashed out in 2010, and earned in 2010 and cashed out in 2011 only (equivalent to .33% annually).

Paid Time Off: Effective June 1, 2009, the City will institute a bank of 2 paid time off (PTO) days per month through the term of this agreement.

- A day is equivalent to 7.5 hours or 8 hours; depending on the employees' classification.
- PTO days shall not vest with the employee.
- City Hall will be closed the first Friday of every month, beginning June 5, 2009. If a holiday falls on that Friday, City Hall will be closed the following Monday as shown below.
 - Friday, June 5, 2009
 - Monday, July 6, 2009 (Friday July 3 is a Holiday)
 - 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 January 1 is a Holiday)
 - Friday, February 5, 2010
 - Friday, March 5, 2010
 - Friday, April 2, 2010
 - Friday, May 7, 2010
 - Friday, June 4, 2010
 - Friday, July 2, 2010
 - Friday, August 6, 2010
 - Friday, September 3, 2010
 - Friday, October 1, 2010
 - Friday, November 5, 2010
 - Friday, December 3, 2010
 - Friday, January 7, 2011
 - Friday, February 4, 2011
 - Friday, March 4, 2011
 - Friday, April 1, 2011
 - Friday, May 6, 2011

Unless otherwise approved, all VMO unit employees shall not work on the day City Hall is scheduled to be closed and must use PTO leave from this bank to cover the day. In the event an employee is required to work on the day City Hall is closed, it is the responsibility of the employee and his/her supervisor to schedule an alternate day off during the same pay period.

- All VMO unit employees must take a second PTO day per month in which an employee must use PTO leave from this bank. This day must be taken by the end of each month. 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.
- PTO days shall not be carried over past the term of this agreement.
- It is understood that the PTO days as described above do not impact the FLSA exempt status of the designated exempt VMO classifications.
- As a result of taking the PTO days, the City does not expect any VMO employees to work any additional hours to compensate for days off.
- Prior to June 1, the City will develop an administrative procedure for administration of PTO that will include further details on timesheet reporting, etc.

Golden Handshake: The City intends to offer a Golden Handshake to positions identified by various Departments. To the extent the savings are to the General Fund and are classifications represented by VMO, VMO will receive credit for these savings. Upon the employee's retirement with the Golden Handshake, the City shall give credit to VMO for the related General Fund Savings. The City will inform VMO of the amount of savings and VMO can inform the City where the reduction should come from (i.e., less contribution toward the PERS Employer contribution).

The City Council and the 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 VMO to obtain further cost reductions, which may include furlough days and/or layoffs, on the condition that the City will have similar discussions with other bargaining units.

For the City of Vacaville:

For the Vacaville Managers Organization:

Signature on File

Dawn Villarreal
Human Resources Director

Signature on File

Craig Isham
President

Date: 6/11/09

Date: 6/11/09