

Side Letter Agreement #6
Between the CITY OF EL MONTE
And the General Unit Service Employees International Union (SEIU) Local 721

The City of El Monte (City) and the Service Employees International Union, SEIU 721 (SEIU) General Employees Membership have agreed to the following amendments to the current July 1, 2007 to expire December 31, 2015, Memorandum of Understanding (MOU) and inclusive of previously signed Side Letter Agreements #1 - #5 between the parties:

Memorandum of Understanding (MOU) and the following Side Letter Agreements between the parties thereto shall remain in force and effect, except as to the specific changes noted on this side letter agreement:

- o The MOU for July 1, 2007 – December 31, 2010, by and between the SEIU Local 721 and the City of El Monte has been previously modified by Side Letter Agreement #1 dated February 19, 2009; Side Letter Agreement #2 dated July 14, 2009; Side Letter Agreement #3 dated February 1, 2010, Side Letter Agreement #4 dated June 17, 2010, and Side Letter Agreement #5 dated June 22, 2011.

1. **Cafeteria Plan**

Effective January 1, 2013, 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".

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 than December 31, 2013.

2. **Holiday Bank**

Reduce annual Holiday Bank by 20 hours from 110 hours to 90 hours, eliminating the Floating holiday and the 2- half day holidays on Christmas Eve and New Year's Eve. Effective July 1, 2012, the Bank will be reduced by ten (10) hours (2 Half Days) 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 (2 Half Days, 1 Floater) annually.

- 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 (prorated ½ year).
- On January 1, 2013, Personal Leave Hours will increase by twenty (20) hours.

Employees will be paid for the following nine (9) Holidays:

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

If an employee is required to work on a Holiday, such hours can be subsequently used as a "Floating Day" during the calendar year. This language will be consistent with the existing 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.

The General Unit will continue discussions with the City regarding a citywide Holiday Leave (Bank) Policy.

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 than 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.

3. Civilian Court Time

Civilian Court Time concession will mirror the proposal of the El Monte Police Officer's Association (POA) and include 'me too clause' language as follows:

Court Time: The four (4) hour minimum for both court appearance and standby will be reduced to two (2) hours (both AM and PM) in the event the employee is either "called off" from court or is released upon arrival to court within the City of El Monte. This two (2) hour component will be compensated, in the form of pay ("1.5X" for in court and "straight time" for standby). The City will fully

compensate all employees for all hours that the employee is actually in court or on standby, above the two (2) hour minimum.

Any court time outside the City of El Monte (i.e. City of Pomona, Downtown Los Angeles, etc.) will remain at the four (4) hour minimum for court overtime as stated in the current MOU language in Section II ARTICLE TWO:

“Compensation for required ‘in-court’ court time shall be for a minimum of four (4) hours per morning and four (4) hours per afternoon appearance outside of the normal assigned work schedule at the rate of time and one-half (1.5) their regular rate of pay.”

The City will fully compensate all employees for all hours that the employee is actually in court or on standby, above the two (2) hour minimum.

4. **M.O.U. Extension**

Extend existing M.O.U. 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 as part of the “New Normal” or at the end of this Side Letter Agreement – December 31, 2015, whichever is met first.
6. 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.

These provisions will supersede previous G.E.M. Side Letter Agreement #4 Section Number 5 provisions relating to structural budget surpluses, revenues and adequate reserves.

7. **Retiree Medical Subsidy**

The General Unit agrees to continue discussions with the City regarding revisions and updates to the Retiree Insurance Guidelines, such that 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.

8. **Vacation Leave**

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 hired on or after July 1, 2012, has accrued but unused vacation leave that exceeds 360 hours, the employee will be paid out the hours in excess of this limit on the following pay period

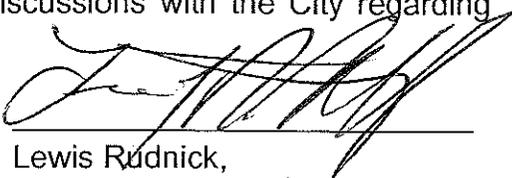
9. **Agreement Ratification**

The parties agree that this Side Letter Agreement is subject to ratification by the SEIU 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 and subsequent Side Letter Agreements shall remain in effect.

10. **Pension Funds**

The General Unit agrees to continue open discussions with the City regarding pension benefits.

By: 
René Bobadilla, City Manager

By: 
Lewis Rudnick,
S.E.I.U Chapter President

Date: 5/10/12

Date: 5-10-12

Side Letter Agreement #5
Between the CITY OF EL MONTE
And the Service Employees International Union, SEIU 721
General Employees Membership

The City of El Monte (City) and the Service Employees International Union, SEIU 721 (SEIU) General Employees Membership have agreed to the following amendments to the current July 1, 2007 – December 31, 2012 Memorandum of Understanding (MOU) between the parties.

All other terms and conditions of the MOU for July 1, 2007 – December 31, 2012, and any Amendments (Side Letter Agreements) thereto shall remain in force and effect, except as to the specific change below:

1. The parties agree to amend the current MOU and delete the previous language for "Additional Longevity" and replace it with "Preserves Additional Longevity for current employees and retirees."

2. The parties agree to delete provisions relating to "deferred compensation and additional longevity granted to employees with less than 5 years of service."

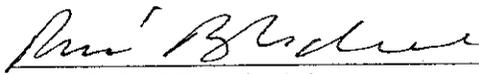
3. The parties agree to eliminate this Additional Longevity Pay for all employees hired after January 1, 2011.

4. All current employees hired before January 2011, will not be impacted by this change. (This group of employees will continue to receive Longevity Pay and Additional Longevity Pay and PERS will acknowledge it as PERSable income).

5. The parties agree that this Side Letter Agreement #5 is subject to ratification by the SEIU General Employees 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.

City of El Monte:

Service Employees International Union, SEIU 721:

By: 
René Bobadilla, City Manager

By: 
Lewis Rudnick, SEIU President

Date: 7/5/11

Date: 6-22-11

Approved as to Form:


Ricardo R. Olivarez
City Attorney, City of El Monte

Date: 6-30-11

Side Letter Agreement #4*
Between the CITY OF EL MONTE
And the Service Employees International Union, SEIU 721

The City of El Monte (City) and the Service Employees International Union, SEIU 721 (Union), 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 July 1, 2010, each SEIU unit member shall be subject to a two (2) hour unpaid "furlough" each week. A unit member shall not be allowed to use accrued vacation or other accrued leave time to pay for the unpaid "furlough" time. Benefits calculated on base salary shall continue to be calculated based on hours paid. City Management shall determine the scheduling for the 38-hour workweek resulting from the unpaid "furloughs." **The "furloughs" are a temporary change and shall be restored as defined below.
2. Effective July 1, 2010, SEIU members shall be guaranteed the equivalent if any other City employee who belongs to a Bargaining Unit receives an additional benefit or salary increase over and above what is in their existing MOU. Also, effective July 1, 2010, SEIU members shall be guaranteed a similar benefit (i.e. what was deferred in benefits and/or salaries) if any other City employee who belongs to a Bargaining Unit receives an additional benefit or salary increase per their existing MOU. This Side Letter Agreement shall be a guarantee that SEIU members will receive what was deferred (i.e. benefits and/or salaries) first before another employee (from one of the four Bargaining Units) who accepts a position (i.e. promotion) without a salary increase. SEIU members will receive what was deferred before any other employee receives his/her salary increase, as a result of a promotion.
3. The City and SEIU 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."
4. The expiration of the MOU shall be December 31, 2012.
5. Pay raises consisting of 3%, which was due July 1, 2009 and 2%, which is due July 1, 2010 will be deferred (not accrued). **The deferment is a temporary change and shall be restored as defined below.

SEIU 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 SEIU'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.

6. Effective July 1, 2010, employees eligible for the Public Agency Retirement System (PARS) benefit adopted by the City shall contribute 5% of their total PERSable compensation and EPCM (Employer Paid PERS Contribution) towards PARS retirement.**The contributions are a temporary change and shall be restored as defined below.

The City shall suspend participation in the City paid deferred compensation plan and instead contribute this amount towards the 5% PARS employee contribution. **The contribution is a temporary change and shall be restored as defined below.

7. Effective July 1, 2010, SEIU 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. 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. ***The \$200 deduction is a temporary change and shall be restored as defined below.
8. During the term of this Side Letter Agreement, the City agrees to contribute the current retiree annual amount of: \$197,500.

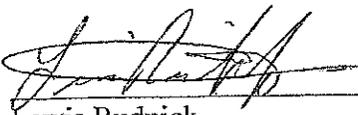
* The MOU for July 1, 2007 – December 31, 2010, by and between the SEIU 721 and the City of El Monte has been previously modified by Side Letter Agreement#1 dated February 19, 2009;

Side Letter Agreement #2 dated July 14, 2009; and Side Letter Agreement #3 dated February 24, 2010.

This Side Letter is subject to ratification by the SEIU 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.

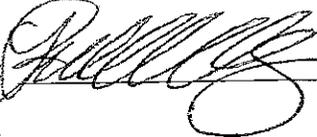
****All of SEIU's temporary changes listed above in this Side Letter Agreement shall be restored by December 31, 2012 unless mutually agreed to be modified and approved by SEIU members.**

By: 
René Bobadilla
City Manager

By: 
Lewis Rudnick
SEIU President

Date: 6/17/10

Date: 6/17/10

Approved as to Form: 
Ricardo R. Olivarez
Interim City Attorney

Date: 6-17-10

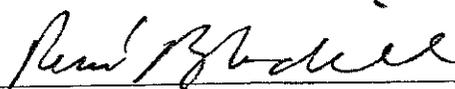
Side Letter Agreement #3*
Between the CITY OF EL MONTE
And the Service Employees International Union, SEIU 721

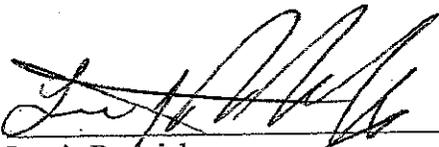
The City of El Monte (City) and the Service Employees International Union, SEIU 721 (Union), have agreed to the following amendment to the current July 1, 2007 – December 31, 2010, Memorandum of Understanding (MOU) between parties.

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. From March 1, 2010 through June 30, 2010, each SEIU unit member shall be subject to a four (4) hour unpaid "furlough" each week. A unit member shall not be allowed to use accrued vacation or other accrued leave time to pay for the unpaid "furlough" time. Benefits calculated on base salary shall continue to be calculated based on hours paid. City Management shall determine the scheduling for the 36-hour workweek resulting from the unpaid "furloughs."
2. From March 1, 2010 through June 30, 2010, if any other City employee receives an additional benefit or salary increase that is not part of their current contract, SEIU unit members shall be guaranteed the equivalent.
3. From March 1, 2010 through June 30, 2010, SEIU unit members shall be allowed to accrue 120 hours of compensatory time. On July 1, 2010, SEIU unit members shall have 100 hours or less of accrued compensatory time.

* The MOU for July 1, 2007 – December 31, 2010, by and between the SEIU 721 and the City of El Monte has been previously modified by Side Letter Agreement #1 dated February 19, 2009 and by Side Letter Agreement #2 dated July 14, 2009.

By: 
René Bobadilla
City Manager

By: 
Lewis Rudnick
SEIU President

Date: 3/4/2010

Date: 2-24-10

Approved as to Form: 
E. Clarke Moseley
City Attorney

Date: 3-10-10

Side Letter Agreement #2*
Between the CITY OF EL MONTE
And the Service Employees International Union, SEIU 721

The City of El Monte (City) and the Service Employees International Union, SEIU, 721 (SEIU) 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 SEIU agrees to the deferral of the SEIU's three percent (3%) pay increase currently scheduled for July 1, 2009 to the later date of July 1, 2010.
2. Effective July 1, 2009, employees eligible for the Public Agency Retirement System (PARS) benefit adopted by the City shall contribute 5% of their total PERSable compensation and EPCM (Employer Paid PERS Contribution) towards PARS retirement.
 - a) The City shall suspend participation in the City paid deferred compensation plan and instead contribute this amount towards the 5% PARS employee contribution.
3. Effective July 1, 2009, the SEIU 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. 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. Effective July 1, 2010, the \$200 medical benefit reduction will be restored to its current rate.
4. 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 members covered under the current SEIU MOU with the City. This does not apply to unit employees affected by the July 2009 Layoff 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.
5. This agreement is for one year only, effective July 1, 2009 through June 30, 2010. Prior to June 30, 2010, the SEIU agrees to meet with City Representatives to discuss whether the \$200 employee medical contribution and the 5% PARS employee contribution will continue beyond June 30, 2010.
6. This Side Letter is subject to ratification by the SEIU 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

By: Lewis Rudnick
Lewis Rudnick
SEIU, Local 721, President

Date: 7-14-09

Approved As to Form:

E. Clarke Moseley

City Attorney

Date:

July 14, 2009

E. Clarke Moseley

By:

Lea Karch

SEIU, Local 721, Vice
President

Date:

July 14, 2009

Lea Karch



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.

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JUL 07 2009

| PRESENTED TO EL MONTE CITY COUNCIL | |
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| CHIEF DEPUTY CITY CLERK | |



Side Letter Agreement #1*
Between the City of El Monte
And the Service Employees International Union, SEIU 721

The City of El Monte ("City") and the Service Employees International Union, Local 721 ("Union"), agree to the following amendment to the MOU, currently set to expire on December 31, 2010.

1. Effective March 1, 2009, and continuing through February 28, 2010, unit members shall be subject to a four (4) hour unpaid furlough each week. A unit member shall not be allowed to use accrued vacation or other accrued leave time to pay for the unpaid furlough time. Benefits calculated on base salary shall continue to be calculated based on hours paid. City Management shall determine the scheduling for the 36-hour workweek resulting from the unpaid furloughs. Effective January 1, 2010, the City and Union agree to meet and discuss whether the unpaid furlough will continue beyond February 28, 2010.
2. Furthermore, the City agrees to create a Joint Labor/Management Committee. The Committee shall meet quarterly at a mutually agreeable time, not to exceed two (2) hours, to discuss matters of mutual interest. Up to five (5) SEIU unit members may attend Committee meetings without loss of pay.
3. This Side Letter is subject to ratification by the Union membership and approval by the City Council. Except provided herein, the current MOU shall remain in effect.

By: James W. Mussenden Date: 2-19-09
James W. Mussenden
City Manager

By: Javad Sabokpey Date: 2/19/09
Javad Sabokpey
SEIU, Local 721, Union Negotiator

By: Maria Sepulveda Date: 2-19-09
Maria Sepulveda
SEIU, Local 721, President

CITY OF EL MONTE

MEMO

DATE: June 10, 2009

TO: Honorable Mayor and City Council

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

Prepared by: Amelia Ayala, Human Resource Director

Subject: Side Letter Agreement.

Recommendation:

That the City Council of the City of El Monte approve the Side Letter Agreement between the City and the Service Employees International Union, Local 721. The Agreement indicates that each unit member shall be subject to a four (4) hour unpaid furlough each week from the time period of March 1, 2009 through February 28, 2010.

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 civilian bargaining units to consider cost savings measures. This Agreement will bring savings to the City's general fund budget.

JUN 16 2009

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| PRESENTED TO EL MONTE CITY COUNCIL | |
| <input checked="" type="checkbox"/> | APPROVED |
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| CHIEF DEPUTY CITY CLERK <i>[Signature]</i> | |

Side Letter Agreement
Between the City of El Monte
and the Service Employees International Union, SEIU 721

The City of El Monte ("City") and the Service Employees International Union, Local 721 ("Union"), agree to the following amendment to the MOU, currently set to expire on December 31, 2010.

1. Effective March 1, 2009, and continuing through February 28, 2010, unit members shall be subject to a four (4) hour unpaid furlough each week. A Unit member shall not be allowed to use accrued vacation or other accrued leave time to pay for the unpaid furlough time. Benefits calculated on base salary shall continue to be calculated based on hours paid. The scheduling for the 36 hour work week resulting from the unpaid furloughs shall be determined by City management. Effective January 1, 2010, the City and Union agree to meet and discuss whether the unpaid furlough will continue beyond February 28, 2010.
2. Furthermore, the City agrees to create a Joint Labor/Management Committee. The Committee shall meet quarterly at a mutually agreeable time, not to exceed two (2) hours, to discuss matters of mutual interest. Up to five (5) SEIU unit members may attend Committee meetings without loss of pay.
3. This Side Letter is subject to ratification by the Union membership and approval by the City Council. Except provided herein, the current MOU shall remain in effect.

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

Date: 2-19-09

By: Javad Sabokpey
Javad Sabokpey
SEIU, Local 721, Union Negotiator

Date: 2/19/09

By: Maria Sepulveda
Maria Sepulveda
SEIU, Local 721, President

Date: 2/19/09