

**Side Letter of Agreement
Between the
City of Petaluma and the
Petaluma Public Safety Mid-Management Association – Unit 10**

**Salary Reduction / Leave Program
December 28, 2009 – December 23, 2013**

Representatives of the City of Petaluma and the Petaluma Public Safety Mid-Management Association Unit 10 have met and conferred and reached agreement on this Side Letter of Agreement.

The City of Petaluma continues to face financial shortfalls and impending layoffs. In response to this challenging and difficult financial and economic condition the City and representatives of Unit 10 have agreed to implement a salary reduction and special leave program to reduce the city's operating costs during FY 2009-2010 and FY 2010-2011.

The parties acknowledge that the Unit 10 Memorandum of Understanding (MOU) effective July 1, 2008 through June 30, 2009 has expired. The parties intend to bring forward a successor MOU to the City Council on February 22, 2010. It is the intent of the parties to agree to the terms of this Side Letter separate from the negotiation process and the adoption of a successor MOU. This Side Letter shall be effective December 28, 2009 through December 23, 2013.

The parties agree to the following:

1. Effective December 28, 2009 through June 26, 2011 employees shall receive a 3.1% reduction in salary.
2. Special Pays which will and will not be subject to the 3.1% salary reduction are as follows:

Special Pays Subject to Reduction	Special Pays Not Subject to Reduction
5% and 7% Education Incentive	Bilingual Pay
Longevity Pay	Confidential Pay
4% Management Pay	Flat rate education incentive pay
7% Advance Certificate Pay	Holiday Pay
5% Intermediate Certificate Pay	Uniform Pay
Shift Differential Pay	Out of Grade Pay
	Training Premium
	Training Overtime
	RTP-FTO Police/Dispatch out of grade
	Stand By Pay
	Skill Premium

3. Employees in Unit 10 work either a 56.15-work week or 40-hour work week. For purposes of this Side Letter of Agreement hours will be referred to first for the 56.15-work week and then the 40-hour work week.
4. In exchange for that 3.1% reduction in salary, employees shall receive one hundred thirty-four point eight (134.8) or ninety-six (96) hours of special administrative leave.

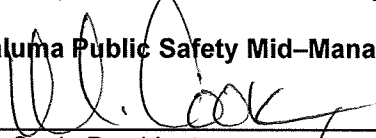
5. Effective December 28, 2009 and through June 26, 2011 employees shall receive one hundred thirty-four point eight (134.8) or ninety-six (96) hours of special administrative leave over the thirty-nine (39) payroll periods in accordance with the schedule below:

Six-Month Period	Maximum Special Administrative Leave Hours Available 56.15 – work week	Maximum Special Administrative Leave Hours Available 40 – work week	Payroll periods
12/28/2009 to 06/27/2010	45	32	13
06/28/2010 to 12/26/2010	45	32	13
12/27/2010 to 06/26/2011	44.8	32	13
Total	134.8	96	39

6. Employees will receive forty-five (45) or thirty-two (32) hours of special administrative leave on December 28, 2009, June 28, 2010 and December 27, 2010 (note the hours are 44.8 for 56.15 work week). Employees are encouraged to use their special administrative leave in the period specified in the schedule above. At the end of every six-month period the special administrative leave will be zeroed and any unused special administrative leave on the books as of June 27, 2010, December 26, 2010 and June 26, 2011 will be eliminated.
7. An employee may take special administrative leave hours upon mutual agreement of the supervisor and the employee.
8. If an employee separates employment having used more special administrative leave hours than its value in salary reduction, any hours owed shall be deducted from the employee's final paycheck.
9. An employee may use special administrative leave hours in lieu of vacation or sick leave hours.
10. Special administrative leave hours have no cash value.
11. Employees hired after the implementation date of December 28, 2009 and before June 26, 2011 will be required to participate in the salary reduction/ leave program. Special administrative leave hours will be prorated based upon date of hire.
12. An employee who was hired on or before December 27, 2009 and separates employment during the salary reduction period December 28, 2009 through June 26, 2011 shall have any final leave balances paid out at his/her salary rate in effect as of December 27, 2009 or the reduced salary rate at separation whichever is higher.
13. Effective December 28, 2009 through December 22, 2013 vacation accrual limits shall be temporarily increased by sixty-seven point four (67.4) or forty-eight (48) hours. Vacation hours accrued above the regular limit shall have no cash value. Effective December 23, 2013 the vacation accrual limits shall return to the regular vacation accrual limit. Any unused vacation hours on the books above the regular vacation accrual limit as of December 23, 2013 will be eliminated.
14. Effective June 27, 2011 employees shall receive sixty-seven point four (67.4) or forty-eight (48) hours of special paid leave. Employees hired during December 28, 2009 through June 26, 2011 shall receive a prorated amount based upon date of hire and participation in the salary reduction / leave program.
15. An employee may take special leave hours upon mutual agreement of the supervisor and the employee.

16. Special leave must be taken between June 27, 2011 and December 22, 2013. Special leave has no cash value. Any unused special leave hours as of December 23, 2013 will be eliminated.
17. The City of Petaluma agrees to review its revenue on or about June 30, 2010 and December 31, 2010. At that time the City will evaluate the need to decrease furlough hours, based on increased tax revenues that may be realized during the 18-month period. Revenues subject to consideration are any increases in property, sales, and Transient Occupancy taxes attributable to the General Fund from the Silk Mill, Regency Center, Deer Creek Project or Water Street North projects that are distributed to the City prior to the end of FY 2010-2011. New revenues subject to this provision would also include any voter-approved tax increases placed on the 2010 primary or general election ballots. The salary reduction and leave program would be implemented proportionate to ten (10) hours for every \$100,000 of new revenue that may be obtained from these sources during the term of the salary reduction and leave program.
18. Any Unit 10 employee with an outstanding Fair Labor Standards Act pay advance in place in 1985/86 will not have that advance withheld from his/her final paycheck.
19. All provisions of the Unit 10 Memorandum of Understanding remain in effect except those agreed upon in this Side Letter of Agreement.

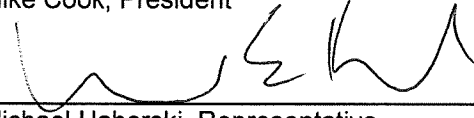
Petaluma Public Safety Mid-Management Association



 Mike Cook, President

11/12/10

 Date




 Michael Haberski, Representative

1/14/10

 Date

City of Petaluma



 John C. Brown, City Manager

1-14-10


 Date



 Scott Brodhun, Assistant City Manager

1-14-10

 Date



 Pamala Robbins, Human Resources Manager

1-12-2010

 Date