

**Side Letter of Agreement
Between the
City of Petaluma and the American Federation of State, County, and Municipal Employees (AFSCME),
Local 675, for Employees of Unit 1 (Confidential), Unit 2 (Maintenance),
and Unit 3 (Clerical/Technical)**

**Six-Month Extension of the One-Year Deferred 2% Salary Adjustment effective June 29, 2009
and the 2% Salary Adjustment effective December 28, 2009**

May 12, 2010

Representatives of the City of Petaluma and AFSCME, Local 675 Unit 1 (Confidential), Unit 2 (Maintenance), and Unit 3 (Clerical/Technical) have met and conferred in good faith and have reached agreement on this Side Letter of Agreement.

The City of Petaluma and AFSCME Units 1, 2, and 3 had 3-year Memorandum of Understandings in place effective July 1, 2007 to June 30, 2010. The parties agreed to extend the MOUs in a Side Letter executed June 25, 2009 by one year through June 30, 2011. This was in exchange for a one-year deferral of the 2% June 29, 2009 salary adjustment and the 2% December 28, 2009 salary adjustment.


The City of Petaluma continues to face serious financial challenges. In response to the continued financial and economic condition of the City, representatives of AFSCME have agree to extend the one-year deferred 2% salary adjustment effective June 29, 2009 and the 2% salary adjustment effective December 28, 2009 an additional six months through December 31, 2010.


The parties therefore agree that the 2% June 29, 2009 salary adjustment and the 2% December 28, 2009 salary adjustment is hereby deferred six additional months through December 31, 2010. The parties agree to meet and confer no later than November 2010 to discuss the extension of the deferred salary adjustments.

This Side Letter of Agreement is executed the 12th day of May 2010, by the employer-employee relations representatives whose signature appears below for their respective organizations.


AFSCME

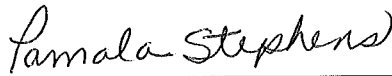
CITY OF PETALUMA



Lenny McBride, Business Agent Date


Doug Silacci, President Date



John C. Brown, City Manager Date


Pamala Stephens, Human Resources Manager Date

