

**MEMORANDUM OF UNDERSTANDING EXTENSION
BETWEEN
THE CITY OF SAN FERNANDO
AND
SAN FERNANDO PUBLIC EMPLOYEES' ASSOCIATION/
SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 721**

This side letter of agreement is by and between the CITY OF SAN FERNANDO ("City") and the SAN FERNANDO PUBLIC EMPLOYEES' ASSOCIATION ("SFPEA")/SERVICE EMPLOYEES INTERNATIONAL UNION (SEIU) LOCAL 721 (collectively "Both Parties"), and is entered into with respect to the following:

WHEREAS, City and SFPEA have previously entered into a Memorandum of Understanding ("MOU") covering the period July 1, 2009 through June 30, 2012, which subsequently was extended by agreement to expire June 30, 2014; and

WHEREAS the parties met and conferred concerning the terms of a successor MOU, and have agreed that the existing MOU and subsequent amendments shall remain in effect until a successor agreement is reached between the parties. **The only amendments shall pertain to the Articles below, which are hereby amended and/or added as follows:**

1. Article 1.05 – Duration of the Memorandum of Understanding

This MOU shall be extended effective July 1, 2014, and shall continue thereafter for a period of three (3) years, and shall terminate by midnight on June 30, 2017.

2. Article 6.01 – Salary

During the first year of the agreement, beginning July 1, 2014 through June 30, 2015, SFPEA will accept a zero percent (0%) Cost-of-Living increase with the following conditions:

- a) No layoffs or furloughs of SFPEA members for 22 months with the exception of the Aquatics Supervisor position, effective July 1, 2014.
- b) Contracting out of SFPEA work during the first year of the agreement will be a Meet-and-Confer item (no impact to the General or Enterprise Fund).
- c) No hiring of new employees during Fiscal Year (FY) 2014-2015 above the current staffing levels, filled or unfilled positions. City shall provide a list of authorized positions as of December 1, 2014.
- d) No reorganization or reclassification in the first year of the agreement. Promotions must be internal and competitive with an outside panel.

3. Article 6.07 – Re-Opener


Both parties agree to a re-opener for a Cost-of-Living increase for FY 2015-2016 and FY 2016-2017.

Both parties agree to a re-opener to negotiate benefits for new employees hired after July 1, 2015. "Benefits" mean limiting the City's exposure to increasing retiree health care costs, and implementation of any new provisions of the Public Employee Pension Reform Act (PEPRA). Limiting exposure to retiree health care costs is typically achieved through increased vesting periods and/or implementing a defined contribution health care payment, commonly referred to as a cafeteria plan, whereby the City will provide a set, negotiated payment to the employee that may be used to pay health care premiums. The parties will Meet-and-Confer no later than March 2015 to discuss benefits for said employees.


Dated: January 20, 2015

Signatures:


For City of San Fernando:

 2-9-2015

Brian Saeki Date
City Manager

 2/9/15

Chris Marcarello Date
Deputy City Manager/P. W. Director

 2/9/15

Nick Kimball Date
Finance Director

 2/9/15

Michael Okafor Date
Personnel Manager

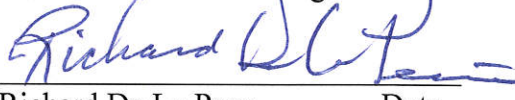
For SFPEA/SEIU Local 721:

 Feb 9, 2015


Frank Villalpando Date
President/Bargaining Team

 2-9-15


George Saldivar Date
Vice President/Chief Negotiator




Richard De La Pena Date
Sergeant of Arms/Bargaining Team

 2/9/15

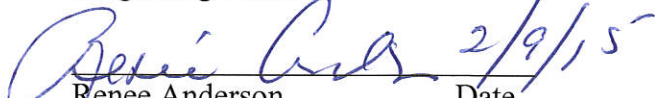
Joe Goss Date
Bargaining Team

 2/9/15

Rodrigo Mora Date
Bargaining Team

 2/9/15

Francisco Villalva Date
Bargaining Team

 2/9/15

Renee Anderson Date
SEIU Local 721/SFPEA Representative