

2011 ADDENDUM TO THE MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF HAYWARD AND THE HAYWARD FIRE CHIEFS ASSOCIATION

This is an amendment to the Memorandum of Understanding, currently in effect through December 31, 2013 between the City of Hayward and The Hayward Fire Chiefs Association. This amendment shall become effective upon ratification by the membership and approval by the Hayward City Council.

In recognition that there are projected deficits in the City's overall General Fund budget of twenty million dollars in FY 2012 and twenty seven million dollars in FY 2013, and the City must therefore reduce expenditures and increase revenues to the extent necessary to bring the budget into balance, , the Hayward Fire Chiefs Association and the City agree that the City's costs of salaries and benefits for the members of the bargaining unit shall be reduced in FY 2012 and in FY 2013 by way of this agreement and implementation of the following terms and conditions:

(1) Notwithstanding the salary provisions set forth in MOU Section 6.13, the members of the Hayward Fire Chiefs Association agree to waive and permanently relinquish any rights they may have to any salary adjustments in FY 2012 and FY 2013..

(2) By way of this Addendum, the City of Hayward and the Hayward Fire Chiefs Association ("Association") agree to memorialize the retiree medical funding practice currently in effect and applicable to Association members since January 1, 2009 by incorporating into this Addendum by reference the retiree medical care funding provisions (which describe such practice) as set forth in the May 13, 2008 "Addendum to the Memorandum of Understanding between the City of Hayward and the International Association of Firefighters, AFL-CIO, Local 1909" ("Local 1909 Addendum"). All other unrelated provisions in the Local 1909 Addendum are not incorporated herewith and thus inapplicable to Association members.

The parties to this Addendum hereby modify the referenced retiree medical funding practice as follows: During the fiscal years 2012 and 2013, the City and the members of the bargaining unit shall be relieved of their respective obligations under the MOU and previous amendments to the MOU to pay one percent (1%) of employee salaries into an irrevocable trust to fund retiree medical benefits. Furthermore, during the fiscal year 2013, the City shall be relieved of the additional 1% provided for in the previous amendments to the MOU to equal a total relief of 2% in that fiscal year for the City.

(3) As authorized by Government Code Section 20156 (Optional Benefits, Cost Sharing), during the fiscal years 2012 and 2013, the members of the bargaining unit shall pay six percent (6%) of their salaries to the California Public Employees' Retirement System as payment of a portion of the City's employer contributions that the City would otherwise be required to pay to CalPERS for these employees and said contribution shall be credited to each member's account as normal contribution. In addition, the 6.0% contribution shall be in accordance with Section 414(h)(2) of the Internal Revenue Code whereby employee contributions shall be tax deferred (not subject to taxation until time of constructive receipt). This member contribution shall be normal contributions over and above normal contributions made by the employer on behalf of the employee pursuant to Section 6.12 of the MOU "Payment of Employees' PERS Contributions".

(4) The City shall amend its participation agreement with CalPERS forthwith to

provide the following additional benefits to bargaining unit members: Section 21547.7 (Alternative Death Benefit for Local Fire Members Credited with Twenty or More Years of Service) and Section 20965 (Credit for Unused Sick Leave).

(5) MOU Section 9.06 shall be amended as follows:

"In lieu of payment for unused sick leave, the employee may receive credit for unused sick leave in accordance with Government Code Section 20965. In the event any unused sick leave is not applied to credit with CalPERS, the balance that is not used for these purposes shall be treated in accordance with the provisions set forth herein."

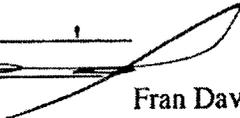
(6) The term of this MOU, which was originally to expire on December 31, 2012, but was extended to December 31, 2013, in a previous amendment to the MOU, shall be extended by this addendum for an additional year, hence this MOU shall now be in effect for the period from January 1, 2008 through December 31, 2014.

Made and entered into on May 6, 2011.

CITY OF HAYWARD

HAYWARD FIRE CHIEFS ASSOCIATION

  
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Jon Moser, President

  
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Fran David, City Manager