

**CITY OF HAYWARD  
AND  
HAYWARD POLICE MANAGEMENT UNIT**

**SIDE LETTER OF AGREEMENT**

This Side Letter of Agreement is made between the City of Hayward (City) and the Hayward Police Management Unit ("HPMU") to amend certain provisions of the current Memorandum of Understanding effective July 1, 2007 and extended through June 30, 2015 (hereinafter referred to as the "2007-2015 MOU") between the parties regarding the payment of employee PERS contributions, a supplemental retirement benefit, employee contributions to an irrevocable medical trust and holidays.

The City and the HPMU agree that the terms of this Side Letter of Agreement for payment of employee PERS contributions shall become effective July 1, 2011 and shall remain in effect for the remainder of the term of the 2007-2015 MOU, including any extension thereof subsequently adopted by the parties, unless amended by a successor agreement.

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1. Section 6.12 Payment of Employees' PERS Contributions

Effective July 1, 2012, Section 6.12 of the 2007-2015 MOU shall be deleted in its entirety and replaced with the following language:

The City will continue to contract with the Public Employees' Retirement System (PERS) to provide a retirement program for bargaining unit members. Benefits shall include:

1. 3% @ 50 benefit formula
2. Third Level of 1959 Survivor Benefits
3. Post-Retirement Survivor Allowance
4. One – Year Final Compensation
5. Military Service Credit as Public Service
6. Military Service Credit for Retired Persons
7. Continuation of Pre-Retirement Death Benefits After Remarriage of Survivor

These benefit plans require an employee contribution of 9% by police safety employees. Employees shall pay the full employee contribution of 9% which shall be paid by the employee on a pre-tax basis.

## 2. Section 5.01 Medical Insurance

Section 5.01 of the 2007-2015 MOU is amended to include the following language:

Effective January 1, 2008, the City shall contribute up to the Kaiser North single party rate for each eligible retired employee who was appointed to a classification represented by the HPMU before July 1, 2011 or for the eligible survivor of an eligible retired employee who subscribes for coverage.

An employee appointed to a classification represented by the HPMU on or after July 1, 2011 who meets the minimum 10 year service requirement outlined in Section 5.01 and who retires from the City, is eligible to receive a supplemental retirement benefit. This benefit shall be equal to \$280.00 less the City's contribution amount discussed in Section 5.01. This Supplement benefit is provided in the form of cash to the retiree on a quarterly basis. In order to receive this benefit, the employee must begin receiving pension benefits within 120 days of leaving City employment. Retirees are solely responsible for any tax consequences associated with the receipt of benefits under this section.

## 3. Employee Contributions to an Irrevocable Medical Trust

Beginning the pay period including July 1, 2014, a bargaining unit member shall contribute one percent (1%) of his/her base salary to an irrevocable trust to fund retiree medical benefits.

Should the members of this unit receive a salary adjustment of 1% or greater prior to July 1, 2014, contributions to the trust shall begin the first pay period following the effective date of the salary adjustment or the pay period including July 1, 2013, whichever is later.

## 4. 7.01 Holidays Observed by the City

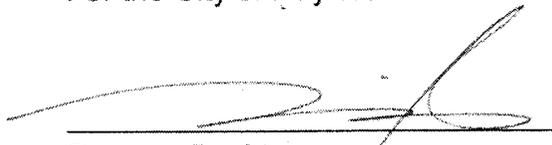
Section 7.01 of the 2007-2015 Memorandum of Understanding is amended as follows:

Effective July 1, 2012, 1/2 Christmas Eve Day (one half the regular shift length of the employee, December 24) and 1/2 New Year's Eve Day (one half the regular shift length of the employee, December 31) shall be deleted as a holiday for members of this bargaining unit.

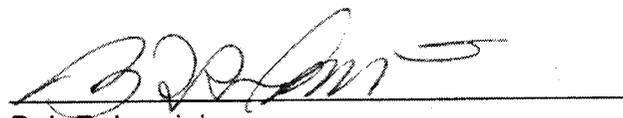
Executed on this 13<sup>th</sup> day of June, 2011, at Hayward, California

For the City of Hayward:

For the Hayward Police Management Unit:



Frances David  
City Manager



Bob Palermini  
President