

NOV 8 2007

Personnel  
O: Rosa Flores (3)

A-2007-248

**TWO-YEAR CONTRACT EXTENSION TO  
THE LETTER OF AGREEMENT  
FOR PART-TIME CIVIL SERVICE EMPLOYEES  
BETWEEN THE CITY OF SANTA ANA  
AND  
SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 721  
FOR FISCAL YEARS 2008-09 AND 2009-10**

The City of Santa Ana (CITY) and the Service Employees International Union (SEIU) have met and agreed to amend the Letter of Agreement (LOA) between the CITY and SEIU for Fiscal Years 2004-05 through 2007-08 by extending this LOA for two additional years. The existing LOA provisions will remain unchanged unless addressed by this addendum. The new expiration date of the LOA will be June 30, 2010, and the LOA will be amended as follows:

**AMENDED ARTICLE IV (new language in bold)**

**4.2 Salary Schedule. (insert language from existing 4.3F as the last paragraph of 4.2)**

The assignment of classes to salary rate ranges is listed in Exhibit B, which is included in the Full Time SEIU MOU and made a part hereof as though set forth herein.

**4.3 Salaries.**

- F. Effective July 1, 2008, the base salary of employees covered by this Agreement shall be increased by eight (8) salary rate ranges (approximately 4%).**
- G. Effective January 1, 2009, the base salary of employees covered by this Agreement shall be increased by five (5) salary rate ranges (approximately 2.5%).**
- H. Effective July 1, 2009, the base salary of employees covered by this Agreement shall be increased by eight (8) salary rate ranges (approximately 4%).**
- I. Effective January 1, 2010, the base salary of employees covered by this Agreement shall be increased by five (5) salary rate ranges (approximately 2.5%).**

- J. Effective July 1, 2009, Miscellaneous employees covered by this Agreement shall contribute 6.3% toward the 2.7% at 55 retirement benefit. To the extent permitted by CalPERS and Internal Revenue Service regulations, this 6.3% contribution shall be implemented through payroll deduction on a pre-tax basis.

**AMENDED ARTICLE XII (new language in bold)**

- 12.1 General. The terms of the existing contract between the City and the California Public Employees' Retirement System (CalPERS) governing City retirement benefits for affected employees are incorporated by reference herein.

Each miscellaneous Part Time Civil Service employee covered by this Agreement shall be a member of the CalPERS system and shall continue to make payment to CalPERS in an amount necessary to pay one hundred percent (100%) of his or her individual retirement contribution which is equal to seven percent (7%) of his/her PERSable salary. Such payments shall be credited to the individual employee's CalPERS account.

- ~~12.2 2% at 55 Retirement Benefit. Effective July 1, 1997, the City agreed to pay 2.266% of the cost of providing CalPERS 2% at 55 retirement benefit to employees of this unit. Employees agreed to pay one percent (1%) of the total cost of 3.266% for the 2% at 55 retirement benefit by authorizing a one percent (1%) deduction from their salary (52o (2) salary rate ranges) effective July 1, 1997. Effective November 1, 2001, this one percent (1%) deduction was eliminated.~~

- 12.2 Deferred Retirement. Effective July 1, 2009, the City shall begin to make payment to CalPERS on behalf of each affected employee, in an amount necessary to pay one hundred percent (100%) of his or her individual retirement contribution which currently is equal to seven percent (7%) and will increase to eight percent (8%), effective January 1, 2009. Such payments shall be credited to the individual employee's CalPERS account.

Such payments are not increases in base salary and no salary rate range applicable to any of the employees covered by this Agreement shall be changed or deemed to have been changed by reason thereof. As a result, the City will not treat these payments as ordinary income and, thus, will not withhold Federal or State income tax from said payments. The City has received an opinion or ruling from the Internal Revenue Service confirming that these payments are deferred compensation, and not ordinary income. In the

event that the City receives a ruling on or after July 1 2009 from the Internal Revenue Service that such payments are ordinary income of the employees instead of deferred compensation, the City's obligation to make such payments shall discontinue, and in place thereof, the base salary of each said employee shall forthwith be increased by ~~fourteen (14) salary rate ranges (7%), or~~ sixteen (16) salary rate ranges (approximately 8%), after January 1, 2009.

For the purpose of reporting an employee's compensation to CalPERS, the City shall include these payments as if they were a part of the employee's base salary.

**12.3 2.7% at 55 Service Retirement Benefit for Miscellaneous Members.**

Effective January 1, 2009, the City agrees to amend its retirement contract with CalPERS to provide Miscellaneous employees covered by this Agreement with the 2.7% at 55 Service Retirement benefit. Pursuant to CalPERS regulations, this new formula will apply to employees that are in active status on the date this amendment takes effect. This new formula will apply to each year of eligible service credited with the City of Santa Ana.

Payment of New 2.7% at 55 Service Retirement Benefit. Effective July 1, 2009, Miscellaneous employees covered by this Agreement agree to pay 6.3% of CalPERS reportable compensation toward the cost of the 2.7% at 55 enhanced retirement formula as set forth in Article IV, Section 4.3J.

Pre-Taxable Benefit. To the extent permitted by CalPERS and Internal Revenue Service regulations, the City shall make the above employee deduction as a pre-tax contribution.

**AMENDED ARTICLE XXVIII**

28.1 The term of this Agreement shall be from July 1, 2004~~8~~ through June 30, 2008~~10~~.

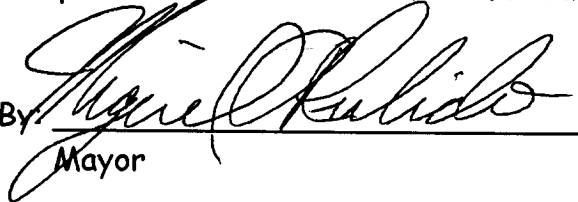
ARTICLE XXIX

29.0 RATIFICATION & EXECUTION

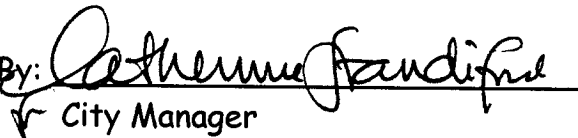
29.1 The City and the Union have reached an understanding as to certain recommendations to be made to the City Council for the City of Santa Ana and have agreed that the parties hereto will jointly urge said Council to adopt a new wage and salary resolution which will provide for the changes contained in said joint recommendations. The City and the Union acknowledge that this Agreement shall not be in full force and effect until ratified by the membership of the Union and adopted by the City Council of the City of Santa Ana. Subject to the foregoing, this Letter of Agreement is hereby executed by the authorized representatives of the City and the Union and entered into this 19<sup>th</sup> 6th day of June August, 20067.

CITY OF SANTA ANA, a Municipal Corporation of the State of California

Dated: 11-8-07

By:   
Mayor

Dated: 11-8-07

By:   
City Manager

Dated: 8/21/07

By:   
Assistant Director of Personnel Services

ATTEST:

  
Clerk of the Council

APPROVED AS TO FORM:

  
Assistant City Attorney

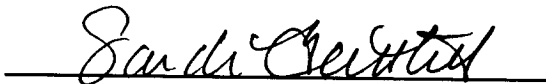
This Agreement has been ratified by the membership of the Santa Ana City Employees,  
Chapter 1939/Service Employees International Union Local 347 721.

Dated: 8/29/07

SEIU:

A handwritten signature in cursive script, reading "David Biondolillo", written over a horizontal line.

David Biondolillo, President

A handwritten signature in cursive script, reading "Sandi Gottlieb", written over a horizontal line.

Sandi Gottlieb

A handwritten signature in cursive script, reading "Lisa Ruvalcava", written over a horizontal line.

Lisa Ruvalcava