

SIDE LETTER AGREEMENT NO.1

TO AGREEMENT NO. C2014-075

BETWEEN

MANAGEMENT UNIT OF THE NAPA POLICE DEPARTMENT

AND

CITY OF NAPA

1. The City of Napa ("City") and the Management Unit of the Napa Police Department ("MUNPD") are parties to a Memorandum of Understanding ("MOU") with a term of January 1, 2014 through December 31, 2015. The parties are committed to maintaining cooperative labor relations, including discussions over matters outside of the MOU now and in the future.
2. The parties hereby modify the MOU as described below. All terms and conditions set forth in the MOU which are not specifically modified by this Side Letter shall remain in full force and effect.
3. The individuals executing this Side Letter represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute the Side Letter on behalf of the respective legal entities of NCFO and the City.

Retirement

4. Sections 15.5 and 15.6 of the MOU are hereby amended by deleting the entirety of the former Sections and replacing it with the text as set forth below.
- 15.5 Effective December 1, 2004, the City will contract with PERS for the "three percent (3%) at age 50" retirement plan as provided for under Government Code Section 21362.2.

For members hired by the City into a position in this bargaining unit or the NPOA bargaining unit on or after January 1, 2012, the City will contract with PERS to provide the "three percent (3%) at age 55" retirement plan as specified in in Government Code Section 21363.1. If members of NPOA, hired by the City before January 1, 2012, are promoted to a position within this bargaining unit, they shall be provided retirement benefits as indicated in section 15.5, paragraph 1.


For new employees, as defined by the Public Employees' Retirement System (PERS), hired on or after January 1, 2013, retirement benefits shall be those established by the Public Employees' Retirement System (PERS) for Local Safety Members 2.7% at age 57

formula, highest three years. Employees will pay the full employee contribution (50% of the Normal Cost of the benefit).

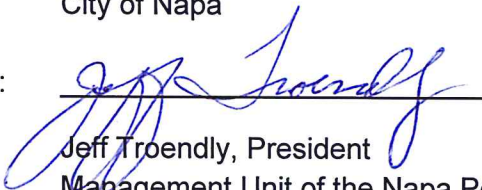
- 15.6 The following provisions define the agreement between the parties under which bargaining unit members will pay a portion of the City's contribution towards PERS retirement benefits ("Employer Contribution"). The Employer Contribution is established annually by PERS and communicated to the City in October or November of the fiscal year prior to the effective date.
- a) The Members have agreed to share (50/50) the Employer contribution when the Employer contribution falls between twenty-one percent (21.00%) and thirty-two percent (32.00%) ("Member Paid Employer Contribution"). The maximum Member Paid Employer Contribution is 5.5% (i.e., 32-21 divided by 2).
 - b) If the Employer Contribution (including the 5.5% "Member Paid Employer Contribution") drops below 32.0%, the parties will meet to adjust the cost share percentage to comply with subsection 15.6(a).
 - c) The parties agree that City will modify its contract with PERS to reflect the Member Payment of the Employer Contribution, which will result in Member Paid Employer Contribution being deposited into the Member's account.
 - d) Pursuant to Government Code section 20516, all members will contribute the Member Paid Employer Contribution of an additional 5.5% towards the employer rate effective the pay period closest to the date CalPERS amends the contract.
 - e) The City shall deduct the member's entire contribution (including the Member Paid Employer Contribution) on a pre-tax basis pursuant to IRC section 414 (h)(2).
 - f) In the event that the City is precluded from collecting the Member Paid Employer Contribution or is unable to make the deduction on a pre-tax basis, the parties will immediately meet and confer to cure the defect. During that meet and confer process, the City shall reduce its contribution to health insurance by an amount equal to the Member Paid Employer Contribution, with any excess deducted from the member's paycheck.
 - g) The City shall provide MUNPD with a copy of the annual actuarial valuation provided by CalPERS and any other correspondence from CalPERS directly relating to the CalPERS contract covering members within five (5) business days of receipt.

IN WITNESS WHEREOF, the parties hereto have caused this Side Letter to be executed the day and year set forth below.


Dated: Sept. ~~August~~ __, 2014

By: 
Nancy Weiss, Assistant City Manager
City of Napa


Dated: August 29, 2014

By: 
Jeff Troendly, President
Management Unit of the Napa Police Department

ATTEST:


DOROTHY ROBERTS, City Clerk

COUNTERSIGNED:


SASHA PAYASLIAN, Deputy City Auditor

APPROVED AS TO FORM:


MICHAEL W. BARRETT, City Attorney