

**SIDE LETTER AGREEMENT  
BETWEEN THE CITY OF BERKELEY AND  
PUBLIC EMPLOYEES UNION LOCAL 1  
Resolution No. 68,247-N.S.**

The parties to this Side Letter Agreement are the City of Berkeley (the "City") and Public Employees Union Local 1 (the "Union").

This Agreement is the result of discussions between the parties related to the impact of provisions in the Union Memorandum of Understanding (the "MOU") that require employees to share in the cost for retirement benefits, both Classic and New Members, as defined under the Public Employees' Pension Reform Act of 2013 (PEPRA). The MOU requires that all employees will contribute eight percent (8.0%) towards the City's CalPERS employer share of pension through a Government Code Section (G.C. §) 20516 CalPERS contract amendment. The parties have conferred and consulted with one another regarding the impact and have entered into this Side Letter Agreement ("Agreement") in a good faith effort to address the issues raised by the City and the Union in order to protect, to the fullest extent possible, wages, hours, and terms and conditions of employment of City employees represented by the Union while at the same time protecting the City's interest in implementation of the G.C. § 20516 CalPERS contract amendment.

This Agreement runs parallel to, and is an integral part of the existing MOU now in effect between the City and the Union, which covers the period of June 21, 2015 through October 20, 2018. The terms of this Agreement shall be effective for ten (10) months, from December 5, 2017 through October 20, 2018.

In consideration of the foregoing, the parties agree to the following:


1. **One-Time Lump Sum Payment:** On the December 8, 2017 pay day (covering the pay period of November 19, 2017 to December 2, 2017), employees in paid status in that November 19, 2017 to December 2, 2017 pay period will receive a one-time lump sum payment of four hundred and fifty dollars (\$450.00), prorated for part-time employees, minus applicable local, state, and/or federal taxes.
2. **Vacation Buy Back (Cash-Out):** Employees in paid status in the November 19, 2017 to December 2, 2017 pay period, may make an irrevocable decision by or before December 8, 2017, to buy back (cash-out) a maximum of nine (9.0) hours of vacation leave the employee will accrue in the period covering January 1, 2018 through March 31, 2018. This vacation leave buy back (cash-out) option is made in accordance with Internal Revenue Code Section 451 which outlines two key limitations on the option to cash out leave: (a) the employee must make an irrevocable election in the calendar year preceding the year in which the leave is cashed out, and (b) only leave accrued during the year in which leave is cashed out may be cashed out.

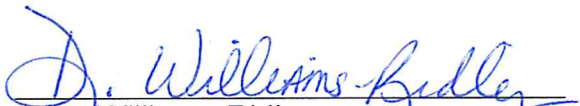


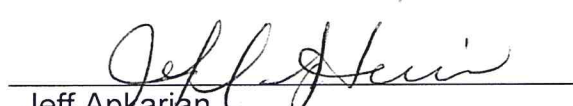
Employees who choose to buy back (cash-out) future vacation leave as provided herein must submit their irrevocable declaration to Payroll Audit on a form designated by Human Resources (attached) and will receive payment, less applicable local, state and/or federal taxes, for such future vacation leave on the April 13, 2018 paycheck.

3. **Non-Precedential:** This Agreement is non-precedent setting and is limited to the fiscal year 2017-2018. To that end, it is specifically agreed by and between the City and the Union that this proposal shall not be extended, nor shall it have any force or effect beyond October 20, 2018, except by express mutual written agreement.

WHEREFORE, the parties by and through their authorized agents and representatives agree to the terms of this Side Letter Agreement subject to the adoption or ratification of this Agreement by the City Council of the City of Berkeley.

  
Sue Ferrera  
For PEU Local 1

  
Dee Williams-Ridley  
City Manager

  
Jeff Apkarian  
Business Agent  
PEU Local 1

  
Jovan Grogan  
Deputy City Manager

  
Margarita Zamora  
Employee Relations Manager



**VACATION BUY BACK (CASH OUT)  
IRREVOCABLE DECLARATION**

Eligible employees in paid status in the November 19, 2017 to December 2, 2017 pay period, may make an irrevocable declaration by or before December 8, 2017, to buy back (cash-out) a maximum of nine (9.0) hours of vacation leave the employee will accrue in the period covering January 1, 2018 through March 31, 2018. This vacation leave buy back option is made in accordance with Internal Revenue Code Section 451 which outlines two key limitations on the option to cash out leave: (a) the employee must make an irrevocable election in the calendar year preceding the year in which the leave is cashed out, and (b) only leave accrued during the year in which leave is cashed out may be cashed out.

Employees who choose to buy back (cash-out) future vacation must submit this form to Payroll Audit by or before **Friday, December 8, 2017 at 5:00 PM** and will receive payment for such future vacation on the April 13, 2018 paycheck.

1. Employee Last Name:

2. First Name

3. Classification

4. Employee No.

5. Department

6. Telephone Number

7. I request to cash out the following vacation hours(maximum of nine (9.0) hours):

8. I make this irrevocable election freely and voluntarily and understand that by signing below, I hereby waive any right to change the option selected once I submit this form to the City.

Signature of Employee

Date

**Due:** Must be received by 5:00 p.m. on December 8, 2017

**Where to Send:** Payroll Audit; 2180 Milvia, 2<sup>nd</sup> Floor or  
Email at: [PayrollAuditInbox@cityofberkeley.info](mailto:PayrollAuditInbox@cityofberkeley.info)



RESOLUTION NO. 68,247–N.S.

SIDE LETTER AGREEMENT – PUBLIC EMPLOYEES UNION LOCAL 1

WHEREAS, on May 24, 2016, the City Council adopted Resolution No. 67,484-N.S. and Resolution No. 67,485-N.S. that authorized the City Manager to execute and implement a Memorandum of Understanding (MOU) with the Public Employees Union Local 1 (PEU Local 1) that set forth the wages, hours and other terms and conditions of employment for employees represented by the Union; and

WHEREAS, the PEU Local 1 MOU under Sections 13.1.5; 59.5.1; and 59.6.1, include provisions that allow employees to contribute eight percent (8.0%) towards the City's CalPERS employer share of pension through CalPERS contract amendment under Government Code Section 20516; and

WHEREAS, in April 2017, representatives of the Service Employees International Union, Local 1021 Maintenance and Clerical Chapter (SEIU Local 1021MC); Service Employees International Union, Local 1021 Community Services & Part-Time Recreation Leaders Association (SEIU Local 1021CSU); PEU Local 1; and International Brotherhood of Electrical Workers, Local 1245 (IBEW Local 1245) raised questions regarding the meaning and impact of the provisions that allow employees to contribute towards the City's CalPERS employer share of pension through CalPERS contract amendment under Government Code Section 20516; and

WHEREAS, given that similar issues raised by the unions, the City requested that PEU Local 1, SEIU Local 1021CSU, and IBEW Local 1245 hold the matter in abeyance until conclusion of discussion on the matter with SEIU Local 1021MC; and

WHEREAS, representatives of the City and representatives of the SEIU Local 1021MC met and conferred in good faith and reached a tentative agreement on a Side Letter Agreement; and

WHEREAS, on September 12, 2017, Council adopted Resolution No. 68,146-N.S. authorizing the City Manager to execute and implement the Side Letter Agreement with SEIU Local 1021MC related to the impact of employees contributing 8% toward the City's CalPERS employer share of pension and provides for 1) a one-time lump sum payment of four hundred and fifty (\$450), prorated for part-time employees, minus applicable local, state, and/or federal taxes, and 2) vacation buy-back (cash-out) of a maximum of nine (9.0) hours; and

WHEREAS, given the City's request to PEU Local 1 to hold the matter in abeyance and the similar issues raised, staff recommends that the same one-time benefits it is providing to SEIU Local 1021MC in the Side Letter Agreement be provided to employees represented by PEU Local 1.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to execute and implement the Side Letter Agreement, which is attached hereto and made a part of hereof with PEU Local 1 pertaining to the specific provisions set forth in the Side Letter Agreement.

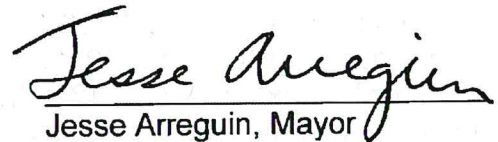
BE IT FURTHER RESOLVED that a copy of the executed Side Letter Agreement will be filed in the Office of the City Clerk.

The foregoing Resolution was adopted by the Berkeley City Council on December 5, 2017 by the following vote:

Ayes: Bartlett, Davila, Droste, Hahn, Harrison, Maio, Wengraf, Worthington and Arreguin.

Noes: None.

Absent: None.

  
Jesse Arreguin, Mayor

Attest:   
Mark Numainville, City Clerk