

**SIDE LETTER RE: MOU AMENDMENT
BETWEEN THE CITY OF HEALDSBURG AND THE MID-MANAGEMENT AND
PROFESSIONAL EMPLOYEES ASSOCIATION**

1. This Side Letter Agreement is between the CITY OF HEALDSBURG, hereinafter referred to as "City", and the **MID-MANAGEMENT AND PROFESSIONAL EMPLOYEES ASSOCIATION** ("MMPEA") collectively called "the parties".
2. The intent of this Side Letter Agreement is to amend Section X of the Memorandum of Understanding ("MOU") between the parties, pertaining to "Public Employees Retirement System". Section 10.3 shall be appended as follows. The language below appends language presented in the 2014-17 MOU between the parties:

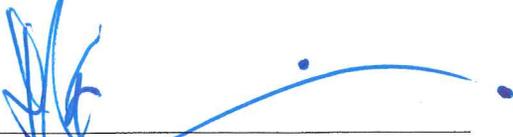
10.3 PEPRA. The Public Employees' Pension Reform Act of 2013 (PEPRA) and related Public Employees' Retirement law amendments in Assembly Bill 340 became law on September 12, 2012 and the provisions were effective January 1, 2013. The City and MMPEA agree to implement all PEPRA provisions, and all applicable amendments thereto.

Effective January 1, 2013 all employees defined by PEPRA as "New members" in PERS 'Safety' classifications shall pay 50% of the total normal cost for the new Safety PERS pension formula of 2.7% @ 57, which is currently 11.5% as an employee contribution (on a pre-tax payroll deduction), with final compensation determined by the highest average annual pensionable compensation earned by an employee during a period of at least 36 consecutive months.

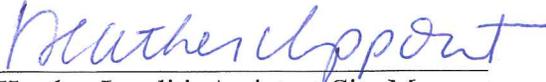
Effective January 1, 2013 all employees defined by PEPRA as "New members" in PERS 'Miscellaneous' classifications shall pay 50% of the total normal cost for the new Miscellaneous PERS pension formula of 2% @ 62, which is currently 6.5% as an employee contribution (on a pre-tax payroll deduction), with final compensation determined by the highest average annual pensionable compensation earned by an employee during a period of at least 36 consecutive months.

3. The terms and conditions set forth in this Side Letter Agreement have been mutually agreed upon by the designated bargaining representatives of the City and MMPEA, and will apply to all employees covered by the MOU between the City and MMPEA.
4. This Side Letter Agreement is subject to ratification by the MMPEA membership and approval by the Healdsburg Town Council. Upon ratification and adoption, this Side Letter will amend the MOU between the parties.
5. This Side Letter Agreement shall expire upon the expiration of the MOU between the parties on June 30, 2017.

On behalf of the City:



David Mickaelian, City Manager



Heather Ippoliti, Assistant City Manager

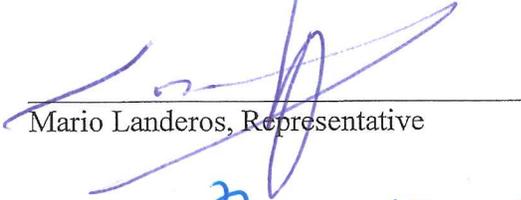
On behalf of the Mid-management and Professional Employees Association:



Todd Woolman, Representative



Tina L. Kirchner, Representative



Mario Landeros, Representative

Approved: May 19, 2015