

**SIDE LETTER TO THE LODI FIRE MID-MANAGEMENT
STATEMENT OF BENEFITS**

May 2011

- A. The City of Lodi issued a Lodi Fire Mid Management Statement of Benefits effective July 1, 2008 through December 31, 2010 as extended by Addendum through December 31, 2011.
- B. This Side Letter is issued for the purpose of addressing the significant budget crisis caused by the current economic downturn.

For the above reasons the Statement of Benefits shall be amended as follows:

Article I – Salary, shall be amended to add the following:

1.4 Add the following at the end of paragraph 1.4 as follows: Lodi Fire Mid Managers agree for the first pay period in which July 1, 2011 falls and ending on the first pay period in which June 30, 2012 falls to give a total salary and benefit contribution of 9.96 percent to be made up of a combination of unpaid furlough hours, administrative leave cash out and/or waiving deferred compensation match, at each member's election.

Furlough hours shall be scheduled based on availability and shall, for Battalion Chiefs, be deducted from salary in equal installments across all fiscal year pay periods. Division Chief hours shall be deducted in the week actually taken. Unless scheduling issues prevent use of furlough hours, members shall use furlough hours before sick, vacation, compensatory time off and holiday leave. Moreover, furlough hours that have not been used by June 30, 2012, may be carried forward and must be used or forfeited by December 31, 2012. In the event a member's employment terminates during the fiscal year, furlough hours shall be prorated by the percentage of the year worked. Furlough hours used in excess of prorated hours shall be deducted from available leave balances, and if other leave balances are inadequate, repaid to City.

In addition, Employees agree to waive the right to cash out vacation and compensatory time off for the first pay period in which July 1, 2011 falls and ending on the first pay period in which June 30, 2012.

Article IX: Retirement:

Add a new sentence at the end of paragraph 9.1 as follows:

"However, between the pay periods in which July 11, 2011 and July 8, 2012 fall Employee's 9% will be paid both by Employees (1%) and by City (8%).

Notwithstanding any other provisions applicable to the employee from any other source, the employee is responsible for the one percent (1%) employee share of their CalPERS retirement benefit. City will take actions necessary to make employees' PERS payment pre-tax.

Article XVII: Medical Insurance:

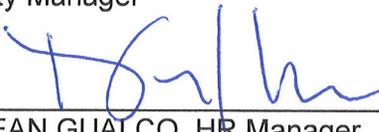
Add 17.3: Employer will contribute the full cost (minus the Employee's Share) of the lowest cost PERS HMO Medical Plan available to employees in San Joaquin County (excluding Porac) toward Employee's selected PERS health care provider between the pay periods in which January 1, 2012 through June 30, 2012 fall. The lowest cost medical plan will be the lowest cost plan as of January 2012 for Employee's coverage category of: 1) employee, 2) employee plus one, or 3) family. If Employee selects a higher cost plan, Employee will pay the difference (and the Employee's Share) as a payroll deduction. The Employee's Share shall be \$0.00 for the employee only coverage category, \$80.00 per month for employee plus one and \$104.00 per month for family.

This Side Letter shall not become effective until approved by the Lodi City Council.

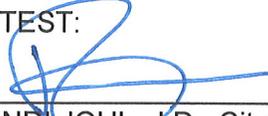
CITY OF LODI,
a municipal corporation



KONRADT BARTLAM
City Manager



DEAN GUALCO, HR Manager

ATTEST:


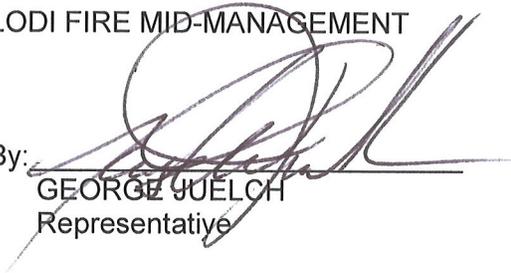
RANDI JOHL, J.D., City Clerk

APPROVED AS TO FORM:



D. STEPHEN SCHWABAUER
City Attorney

LODI FIRE MID-MANAGEMENT

By: 

GEORGE JUELCH
Representative