

MEMORANDUM OF UNDERSTANDING
(UMBRELLA AGREEMENT)
SETTING THE TERMS AND CONDITIONS OF EMPLOYEE-PAID
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT PLAN (CALPERS)
OPTIONAL BENEFITS
FOR ALL MISCELLANEOUS CITY EMPLOYEES
BETWEEN
CITY OF SANTA MONICA
AND
MANAGEMENT TEAM ASSOCIATES, SUPERVISORY TEAM ASSOCIATES,
ADMINISTRATIVE TEAM ASSOCIATES, MUNICIPAL EMPLOYEES ASSOCIATION,
PUBLIC ATTORNEYS UNION, UNITED TRANSPORTATION UNION (LOCAL 1785),
PUBLIC ATTORNEYS' LEGAL SUPPORT STAFF UNION AND
EXECUTIVE PAY PLAN PARTICIPANTS

This Agreement sets forth the terms and conditions pertaining to an employee-reimbursement to the City for all of the additional cost (additional employer contribution and additional employee contribution) that will result when the City amends its contract with the California Public Employees' Retirement System (CalPERS) to provide the optional CalPERS benefit set forth in Section 21354.5 of the California Government Code, which establishes a 2.7% @ 55 full formula for active local miscellaneous members only.

The City will amend its contract with CalPERS to provide the 2.7% @ 55 optional benefit, with the effective date of the CalPERS contract amendment to be June 1, 2007.

The schedule for employee reimbursements to the City will be as follows:

1. As of July 1, 2006, all non-sworn miscellaneous City employees will contribute 2.5% of their compensation subject to CalPERS contributions. These monies will be held by the City and used to reimburse the City for the additional cost incurred by the City when the 2.7% @ 55 CalPERS option for miscellaneous City employees is implemented as of June 1, 2007.
2. As of July 1, 2007, all non-sworn miscellaneous City employees will contribute an additional 2.5%, for a total of 5.0%, of their compensation subject to CalPERS contributions. These monies will be used to reimburse the City for the additional cost incurred by the City when the 2.7% @ 55 CalPERS option for miscellaneous

City employees is implemented as of June 1, 2007.

3. As of July 1, 2008, all non-sworn miscellaneous City employees will contribute an additional 1.7%, for a total of 6.7%, of their compensation subject to CalPERS contributions. These monies will be used to reimburse the City for the additional cost incurred by the City resulting from the implementation of the 2.7% @ 55 CalPERS option for miscellaneous City employees.
4. Thereafter, unless this agreement is amended to stipulate otherwise, all of the miscellaneous City employees will continue to contribute 6.7% of their compensation subject to CalPERS contributions to reimburse the City for the additional cost associated with implementing the 2.7% @ 55 CalPERS option for miscellaneous City employees.

Employees covered herein will be required to reimburse the City, through payroll deduction, in accordance with the reimbursement schedule outlined above.

The City is a contract member of the Public Employees' Retirement System, and it is understood and agreed that such membership will be maintained and that employee eligibility, classification, contribution, and benefits are as prescribed in the contract between the City and the Public Employees' Retirement System heretofore approved by the City Council. With the implementation of the 2.7% @ 55 CalPERS optional benefit, the City shall continue to pay on behalf of each permanent employee covered herein one-hundred (100) percent of the individual employee's share of the required retirement contributions to CalPERS [which will increase from seven (7) percent of the employee's "compensation" as defined by CalPERS legislation to eight (8) percent of the employee's "compensation" as defined by CalPERS legislation] for the term of this MOU.

These payments are not increases of salary and no salary range applicable to any of the affected employees shall be changed or be deemed to have been changed by reason of such payments; as a result, the City will not treat these payments as ordinary income and thus, will not withhold Federal or State income tax therefrom. The City's practice will be to report these payments as being those of the employees so that they will be credited to the particular employee's individual account with CalPERS and upon termination will belong to the employee.

It is agreed that if State and/or Federal procedures require reporting of these payments in any other manner, the parties will abide by such requirements.

In addition, the City of Santa Monica, as allowed by Government Code Section 20636(c)(4), will report to the California Public Employees' Retirement System (CalPERS) as compensation earnable the monetary value of normal contributions paid by the City on behalf of each employee covered by this MOU (hereinafter referred to as the EPMC) pursuant to the provisions of Section 20691 of the California Government Code, as

pursuant to the provisions of Section 20691 of the California Government Code, as described above in this Section. In return, for employees covered herein, there shall be deducted from the net income of each employee the added cost to the City resulting from paying employer and employee retirement contributions on the EPMC, which, with the implementation of the 2.7% @ 55 CalPERS optional benefit is an amount equal to the product obtained by multiplying the value of the EPMC by a percentage equal to 8% plus the City's prescribed contribution rate to CalPERS (which is subject to annual adjustment).

This Agreement shall remain in full force and effect unless both parties to this Agreement (City of Santa Monica and the Coalition of Santa Monica City Employees) mutually agree to open the Agreement.

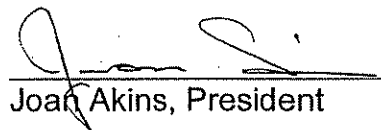
As an Agreement based upon the joint understanding of Non-Sworn Employee Bargaining Units (NSEBU) of the Coalition of Santa Monica City Employees (Coalition), no Non-Sworn Employee Bargaining Unit may independently seek to modify or change the terms of this Agreement prior to receiving a majority vote of the Coalition.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Understanding to be executed **November 3**, 2006.

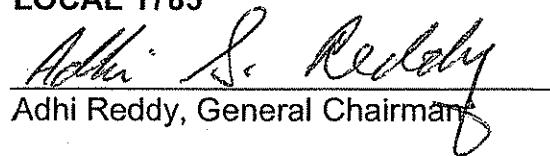
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NON-SWORN CITY EMPLOYEE BARGAINING UNITS:

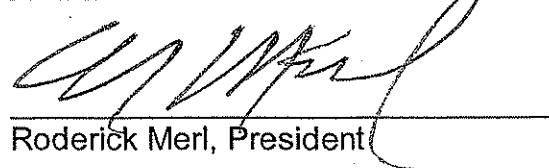
MANAGEMENT TEAM ASSOCIATES


Joan Akins, President

**UNITED TRANSPORTATION UNION
LOCAL 1785**


Adhi Reddy, General Chairman

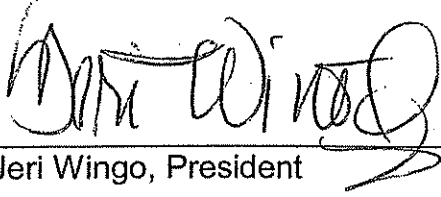
ADMINISTRATIVE TEAM ASSOCIATES


Roderick Merl, President

PUBLIC ATTORNEYS UNION

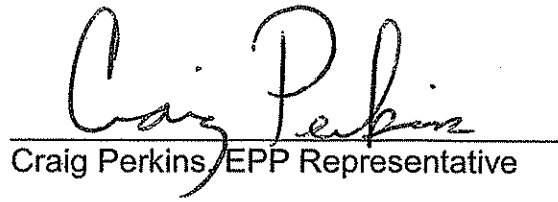

Martin Tachiki, PAU Representative

MUNICIPAL EMPLOYEES ASSOCIATION



Jeri Wingo, President

EXECUTIVE PAY PLAN



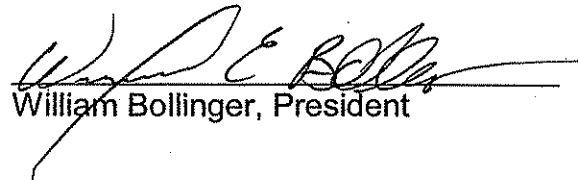
Craig Perkins, EPP Representative

**PUBLIC ATTORNEYS'
LEGAL SUPPORT STAFF UNION**



Judy Silverman, PALSSU Representative

SUPERVISORY TEAM ASSOCIATES

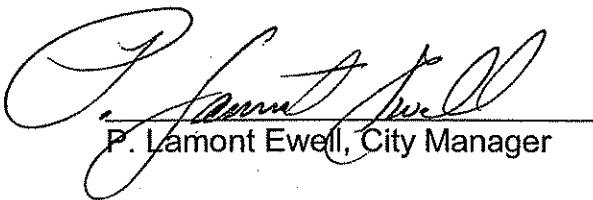


William Bollinger, President

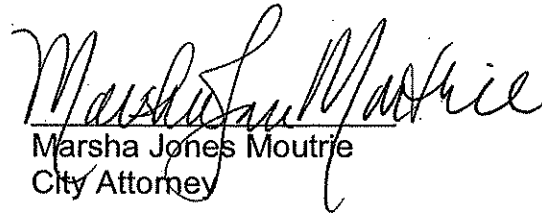
By:

CITY OF SANTA MONICA

APPROVED AS TO FORM:



P. Lamont Ewell, City Manager



Marsha Jones Moutrie
City Attorney

Attest:



Beth Sanchez
City Clerk