SIDE LETTER OF AGREEMENT TO THE MEMORANDUM OF UNDERSTANDING

CITY OF TUSTIN
and
TUSTIN MUNICIPAL EMPLOYEES ASSOCIATION

TERM: July 1, 2015 to June 30, 2018

The City of Tustin ("City") and the Tustin Municipal Employees Association (TMEA) previously agreed to a memorandum of understanding (MOU) for the period July 1, 2015 through June 30, 2018. The parties subsequently negotiated over certain changes to the City of Tustin's Personnel Rules subject to the meet and confer process. In exchange for numerous agreements on revisions to the Personnel Rules, the City agreed to provide employees represented by TMEA with an enhanced lump sum payment in the third year of the agreement and additional cash out of General Leave during the term of the agreement.

Accordingly, Article 12.E of the MOU shall be modified such that it reads, in its entirety, as follows:

> With the paycheck issued for the pay period which includes July 1, 2017, all unit employees who are employed by the City on the effective date will receive a one-time lump sum payment of three thousand, two hundred and eighty-one dollars ($3,281.00). In accordance with the California Public Employees' Retirement System regulations and definition of Special Compensation (2 CCR §571), this lump sum payment will not be reported to CalPERS for purposes of retirement.

In addition, Article 28.D of the MOU shall be modified such that it reads, in its entirety, as follows:

> Once per fiscal year, each regular and promotional probationary employee may request to be paid for a maximum of twenty (20) hours of accrued General Leave. General Leave Cash Out will be granted once per fiscal year per employee. For all three years of the term of this MOU (July 1, 2015 through June 30, 2016, July 1, 2016 through June 30, 2017 and July 1, 2017 through June 30, 2018) once per fiscal year employees may cash out additional accrued General Leave as follows based on years of service used to determine General Leave accrual rates, provided employees have at least 160 hours of accrued General Leave at the time of cash out:

0-5 years	40 additional hours per year
6-10 years	50 additional hours per year
Over 10 years	60 additional hours per year

> The additional hours may be cashed out at the same time as the initial 20 hours or at one additional time during each fiscal year. Additionally, any of the GL cash-out may be directed to the employee's deferred compensation account up to the statutory limits for deferred compensation (in 2015, the statutory limits are $18,000 per year, with a catch-up limit of $36,000).

FOR THE CITY OF TUSTIN

Derick Yasuda, Director of Human Resources

08.17.15

Date

FOR THE TUSTIN MUNICIPAL EMPLOYEES ASSOCIATION

Jamie Newton, OCEA

8.17.15

Date