

LETTER AGREEMENT

LETTER AGREEMENT BETWEEN CITY OF CHICO AND STATIONARY ENGINEERS, LOCAL 39 REGARDING RETIREMENT PLAN CLERICAL ERROR

Pursuant to Subarticle 1.6, entitled "Letter Agreement for Variation of Provisions" of the Memorandum of Understanding between the City of Chico and Stationary Engineers, Local 39 Regarding Pay, Hours and Other Terms and Conditions of Employment for the Period of January 1, 2014 through December 31, 2016 (2014 Local 39 MOU)," the City of Chico (City) and Stationary Engineers, Local 39 (Union) enter into this Letter Agreement to correct a clerical error in the version of the MOU approved by Council as to the employee and employer CalPERS contribution for Class Members.

The Section 6.5.A was erroneously approved and executed with the CalPERS employee contribution as 5%, and the CalPERS City contribution as 3%. The City and Union intended that these numbers be reversed and the City Council and Union approved the MOU based upon such understanding.

Therefore, in order to correct such clerical error, the City and Union agree as follows:

1. Effective January 1, 2014, Union and City agree that Section 6.5.A, entitled "Employees Hired Before January 1, 2013 or Classic Members," shall be amended as follows:

A. Employees Hired Before January 1, 2013 or Classic Members. Employees hired before January 1, 2013 or those Classic Members, as defined by CalPERS, shall receive the 3% at age 60 retirement benefit formula. Employees covered by this Section shall contribute the employee contribution amount established by CalPERS for the 3% @ 60 Pension Formula. Effective January 1, 2014, employees shall contribute 3% of the required employee contribution and the City shall pick up 5% of the required employee contribution. Effective July 13, 2014, employees shall contribute the full 8% required employee contribution. The City shall not pay any portion of the required employee contribution after July 13, 2014.

2. Any amendments or modifications to this Letter Agreement shall be in writing, signed and dated by both parties.

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3. All other terms, conditions, provisions and requirements of the 2014 LOCAL 39 MOU Unit shall remain in full force and effect.

Signed and dated as follows:

For Local 39:



Charlie Solt, Representative (Date)




Michael Damron (Date)

For the City of Chico:

 9/3/14

Mark Orme, City Manager (Date)

APPROVED AS TO FORM AND CONTENT:



Vincent C. Ewing, City Attorney