

**MODIFICATION TO MEMORANDUM OF  
UNDERSTANDING BETWEEN THE  
CITY OF SUNNYVALE  
AND THE  
Service Employees International Union Local 521**

The City of Sunnyvale (the City) is experiencing a significant budget shortfall and has requested assistance from its employees to resolve this shortfall by deferring previously agreed to salary increases. Service Employees International Union Local 521 has agreed to grant this request. Accordingly, the City of Sunnyvale and Service Employees International Union Local 521 hereby agrees to modify the Memorandum of Understanding (MOU) scheduled to expire on June 30, 2012 with the terms and conditions described below:

1. Items in the MOU that are cyclical from year to year or for the entire term of the MOU, including but not limited to annual leave accruals and annual increases to the City's contribution to the medical/cafeteria plan, shall be continued during the term of the extension.
2. The 2% general wage increase scheduled for the first pay period of January 2010 will be deferred until the first pay period <sup>of January 2011</sup>. The 2% general wage increase scheduled for the first pay period in October 1, 2010 will be deferred until the first pay period in October 2011. All references to the salary survey in Section 19.4 (f)(ii, iii) shall be eliminated. The City agrees to provide the data developed in Section 19.5 to SEIU at least 90 days prior to the expiration of the MOU. The survey data will include any scheduled wage and benefit adjustments from the agreed upon comparative cities, up to and including July 1, 2012.

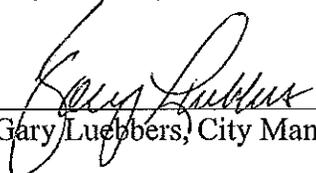
These deferrals are subject to the provisions in Paragraphs 3, 4 and 5 below.

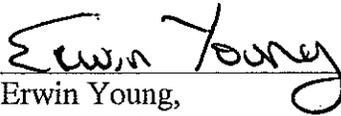
3. The City and SEIU will jointly review the City's financial condition by the last day of the following months: December 2009, June 2010, December 2010, June 2011 and December 2011, to determine if the deferral period can be reduced or eliminated. The analysis will include, but not be limited to, a review of actual revenue receipts and CalPERS rate increases.
4. If any other employee or elected official in the City of Sunnyvale, including the Directors, City Attorney, City Manager, or any other member of the Executive Leadership team or any unrepresented employee, receives an unscheduled (as of June 1, 2009) raise, bonus, one time lump sum payment or any other increase in a monetary benefit (such as a car allowance or mortgage allowance or any retroactive pay for any of the before mentioned monetary increases) during the term of this Extension Agreement (through June 30, 2012), without also having received a one year wage deferral, the deferrals set forth in Paragraph 3 shall be terminated immediately. Any SEIU raise that has been deferred shall be granted effective the date the other raise, bonus, one time lump sum payment or other increase in a monetary benefit becomes effective. It is mutually understood and agreed that the outstanding labor agreements for only the Sunnyvale

Managers Association and the newly formed Public Safety Managers Association are excluded from this paragraph, as are any increases that result from regularly scheduled merit reviews and any increases that are made to recreation casual/temporary classifications.

5. The City and SEIU will continue to explore permissible ways of allowing bargaining unit members who had planned on retiring before June 30, 2012 to receive the full retirement benefit of the previously scheduled raises. Any plan that is offered to another bargaining unit for this purpose shall be offered to SEIU under the same conditions and under the same timelines.
6. If any other bargaining unit refuses to extend their MOU and defer their scheduled raises as requested by the City, SEIU reserves the right to terminate this modified Agreement.
7. All other terms of the July 1, 2008 through June 30, 2012 MOU between the City and SEIU shall remain the same.

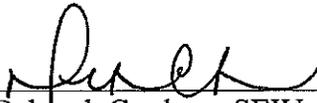
City of Sunnyvale

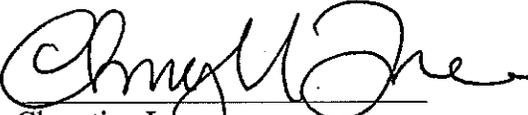
  
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Gary Luebbers, City Manager

  
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Erwin Young,  
Director of Human Resources

Service Employees International Union  
Local 521

  
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Bob Balmanno, SEIU

  
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Deborah Cordova, SEIU

  
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Chrystine Lawson,  
SEIU Work Site Organizer