

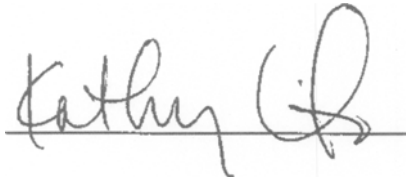
**SIDE LETTER OF AGREEMENT BY AND BETWEEN THE CITY OF  
CONCORD AND ADMINISTRATIVE, TECHNICAL & CLERICAL AND FIELD  
& OPERATIONS UNITS, REPRESENTED BY PUBLIC EMPLOYEES UNION  
LOCAL ONE**

The City of Concord and Public Employees Union, Local One, on behalf of the employees in the Administrative, Technical & Clerical and Field and Operations Representation Units, hereby agree to the following modifications and additions to the parties' Memorandum of Understanding ("MOU") dated July 8, 2002 through July 5, 2009:

- 1. Term:** The MOU is extended for one year, from July 6, 2009–June 30, 2010
  
- 2. Layoffs:** For the above stated term the City will guarantee that a maximum of 17 currently filled positions on the potential reductions/layoff list issued by the City on June 1, 2009, will be subject to layoff in accordance with the layoff procedures of section 12.3 of the Memorandum of Understanding dated July 8, 2002 through July 5, 2009, hereafter referred to as "MOU".
  
- 3. Furlough:** To accomplish a five percent (5%) reduction in pay, effective the pay period beginning July 27, 2009, bargaining unit members will have their salaries reduced by 4.33 hours per pay period for the term of 24 pay periods. In consideration for the reduction of 4.33 hours per pay period, bargaining unit members will take furlough days off on the dates identified on the furlough schedule. The hours will be noted as a separate line item deduction on the employee's paycheck and will equal 4.33 times the hourly rate of pay in effect at the time of the deduction. This deduction will not otherwise reduce the bargaining unit member's existing base salary amount for City benefit accrual purposes. The furlough plan shall remain in effect for the above-stated term.
  
- 4. Step Increases:** The City shall not freeze scheduled step increase during the above-stated term.
  
- 5. Uniforms and Work Clothes:** The City agrees to maintain the City's current uniform and work clothes expenditures required by Section 22 of the MOU for the above-stated term.
  
- 6. Bereavement Leave:** The City agrees to modify section 14.2 of the MOU to increase the maximum amount of leave per year from 3 to 4 days of in-state death and 3 to 5 days if out-of-state death.

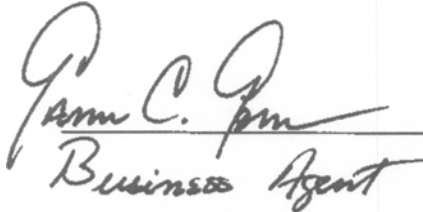
7. **Me Too:** The City agrees to meet and confer with the ATC and F&O units concerning their compensation and benefits if the City grants any compensation or benefit enhancements to the City's management, confidential, or professional units during the above-stated term. This provision reflects the unique economic conditions affecting the bargaining process and should not be considered as precedent setting for future bargaining agreements.
8. **Labor Relations Forum:** The City agrees to create a labor relations forum with the City Manager, whereby the City Manager and other management representatives chosen by the City Manager will meet on a bi-monthly basis with two representatives of each bargaining unit and a Local One Business Representative to address relevant and timely labor relations issues.
9. **Maintenance of Benefits:** The City agrees to maintain all other terms and conditions of employment set forth in the MOU for the above-stated term.

CITY OF CONCORD



Dated: 8/21/09

PUBLIC EMPLOYEES UNION, LOCAL ONE



Dated: 8/21/09

**TERMS AND CONDITIONS OF EMPLOYMENT FOR FISCAL YEAR 2009-2010 FOR CITY OF CONCORD EMPLOYEES IN THE ADMINISTRATIVE, TECHNICAL & CLERICAL AND FIELD & OPERATIONS UNITS, REPRESENTED BY PUBLIC EMPLOYEES UNION LOCAL ONE**