

*Clarification of
retiree
med.
contrib.*

**SIDE LETTER AGREEMENT
TO THE 2005-2008 MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF SOUTH GATE
AND THE SOUTH GATE POLICE MANAGEMENT ASSOCIATION**

WHEREAS, the City of South Gate ("City") and the South Gate Police Management Association ("PMA") entered into a Memorandum of Understanding ("MOU") covering the period of July 1, 2005 through June 30, 2008;

WHEREAS, Section 10 of the MOU presently provides

"Retiree Medical Contribution.

Any unit employee who retires prior to July 1, 2005 shall receive a monthly contribution from the City of \$306 for employee-only coverage or \$518 for 2-party or family coverage.

Effective beginning January 1, 2006 the monthly retiree medical cap for all employees who retire on or after July 1, 2005 shall be \$306.54 (equal to Kaiser 1 party) for employee only coverage and \$613 (equal to Kaiser two party rate) for 2-party or family coverage. Each January 1 thereafter, the City shall increase that rate by the actual increase in the Kaiser 1 or 2-party rate, respectively, with a maximum yearly increase of 5%."

WHEREAS, the parties realize an error was made when the contract was drafted that makes it appear the parties agreed to increase retirement benefits to pre-July 1, 2005 retirees;

WHEREAS, the parties did not intend to confer any additional benefit to pre-July 1, 2005 retirees that was in addition to whatever benefits they were then entitled to receive;

WHEREAS, the City and the PMA have agreed to conform the contract language to reflect the true intent of the parties;

NOW, THEREFORE, THE PARTIES do hereby agree as follows:


1. Section 10 of the MOU is hereby amended to read in its entirety, as follows:

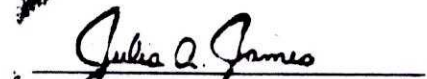
"Employees that retired prior to July 1, 2005, will receive whatever retiree medical benefits to which they are entitled and to which they were entitled prior to the implementation of this agreement.

For retirees that retired on or after July 1, 2005, and for all employees that will retire on or after July 1, 2005 (hereinafter "post-July 1, 2005 retirees"), the City's monthly retiree


medical contribution shall be increased effective January 1, 2006 to \$613 (equal to the Kaiser 2-party rate). Each January 1, thereafter, the City shall increase the monthly retiree medical stipend of post-July 1, 2005 retirees by the actual increase in the Kaiser 2-party rate, with a maximum yearly increase of five percent (5%)."


Dated: 10/1/07
CITY OF SOUTH GATE



By: Lolita Brown Fletcher
Personnel Director


By: Julia James
Finance Director


W.H. (Bill) De Witt, Mayor


Carmen Avalos, City Clerk

Dated: 9/25/07
SOUTH GATE POLICE
MANAGEMENT ASSOCIATION

By: William Richert,
Vice President


Raul Salinas, City Attorney
Approved as to Form