



September 1, 2011

Kevin Rose
President, BPOA

**RE: SIDE LETTER OF AGREEMENT; BENICIA POLICE OFFICER'S ASSOCIATION,
MOU FOR PERIOD OF 7/1/10 – 6/30/12: PERS RETIREMENT – COST SHARE OF
EMPLOYER RATE**

Dear Kevin:

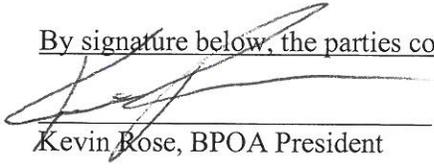
Pursuant to the POA ratification and City Council Approval (Resolution 11-106), the city will proceed with the changes outlined in the Council Resolution. The actual MOU will be updated in the fall after negotiations are complete with all units, so that we can update them all at once. In the meantime, the information was faxed to CalPERS to begin the process for making the change to our contract with CalPERS allowing for the pre-tax cost sharing of the employer rate of PERS. CalPERS has requested a copy of the MOU language change for this provision in order to process our request. Therefore, this letter is to confirm and memorialize the changes made to the MOU between the City of Benicia and the Benicia Police Officer's Association (BPOA) regarding CalPERS Retirement and the employees cost sharing towards the employer rate of PERS.

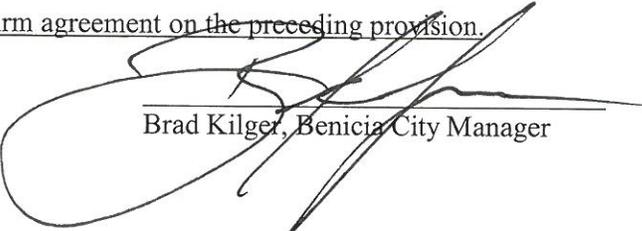
The current MOU language is listed below with the additions made in red and underlined.

22.4 9% Employee Rate of PERS contribution / Cost Share of the Employer Rate of PERS

Each employee covered by this MOU shall pay all of the employee's 9% PERS contribution, and employees are able to defer state and federal income taxes on these contributions, in accordance with the City's IRC 414(h)(2) resolution. Effective as soon as administratively possible (and anticipated to be effective in November paycheck), employees will begin paying, on a pre-tax basis, an additional 5.336% of persable wages towards the Employer Rate of PERS.

By signature below, the parties confirm agreement on the preceding provision.


Kevin Rose, BPOA President


Brad Kilger, Benicia City Manager

APPROVED AS TO FORM

