

**SIDE LETTER AGREEMENT
BETWEEN
THE GARDENA MUNICIPAL EMPLOYEES ASSOCIATION
AND
THE CITY OF GARDENA**

The Gardena Municipal Employees Association ("GMEA") and the City of Gardena ("City"), having previously negotiated and executed a Memorandum of Understanding ("MOU") for the period of July 1, 2021 to June 30, 2025, do hereby agree and adopt this Side Letter Agreement #1 as follows:

WHEREAS, the City has explored various options to utilize its budget surplus;

WHEREAS, the Parties met and conferred and have agreed to a salary increase in step increases.

THEREFORE, the Parties hereby agree to the following:

Article II, Section 1(B) of the MOU is hereby replaced by the following:

B. SALARY ADJUSTMENTS

- 1) July 2021 Cost-of-Living Adjustment: Each affected employee represented by GMEA shall receive a cost-of-living adjustment to base salary of two percent (2.0%). Such cost-of-living adjustment shall apply to the employee's salary schedule and step only, excluding any Senior Pay Bonus or other premiums. The salary adjustment shall be effective the first pay period in July 2021.
- 2) January 2022 Cost-of-Living Adjustment: Each affected employee represented by GMEA shall receive an additional cost-of-living adjustment to base salary of one percent (1.0%), on top of the two percent (2.0%) increase from July 2021, for a total of a three percent (3.0%) increase to the base salary prior to first pay period in July 2021. Such cost-of-living adjustment shall apply to the employee's salary schedule and step only, excluding any Senior Pay Bonus or other premiums. This additional one percent (1.0%) salary adjustment shall be effective the first full pay period in January 2022.
- 3) July 2022 Cost-of-Living Adjustment: Any cost-of-living adjustment in July 2022 is conditioned upon the City's ability to require GMEA members to pay an additional one percent (1.0%) of compensation towards the CalPERS employer contribution rate. Any change to the employees' rate of contribution requires a secret ballot election among the affected employees. The City cannot amend its contract with CalPERS if the majority of the affected members vote to disapprove of the proposed cost-sharing of the employer contribution.

Upon meeting the conditions set forth above, each affected employee represented by GMEA shall receive a cost-of-living adjustment to base salary of four percent (4.0%). Such cost-of-living adjustment shall apply to the employee's salary schedule and step only, excluding any Senior Pay Bonus or other premiums. The salary adjustment shall be effective the first pay period in July 2022.

- 4) July 2023 Cost-of-Living Adjustment: Any cost-of-living adjustment in July 2023 is conditioned upon the City's ability to require GMEA members to pay an additional one percent (1.0%) of compensation towards the CalPERS employer contribution rate. Any change to the employees' rate of contribution requires a secret ballot election among the affected employees. The City cannot

amend its contract with CalPERS if the majority of the affected members vote to disapprove of the proposed cost-sharing of the employer contribution.

Upon meeting the conditions set forth above, each affected employee represented by GMEA shall receive a cost-of-living adjustment to base salary of four percent (4.0%). Such cost-of-living adjustment shall apply to the employee's salary schedule and step only, excluding any Senior Pay Bonus or other premiums. The salary adjustment shall be effective the first pay period in July 2023.

- 5) July 2024 Cost-of-Living Adjustment: Any cost-of-living adjustment in July 2024 is conditioned upon the City's ability to require GMEA members to pay an additional one percent (1.0%) of compensation towards the CalPERS employer contribution rate. Any change to the employees' rate of contribution requires a secret ballot election among the affected employees. The City cannot amend its contract with CalPERS if the majority of the affected members vote to disapprove of the proposed cost-sharing of the employer contribution.

Upon meeting the conditions set forth above, each affected employee represented by GMEA shall receive a cost-of-living adjustment to base salary of four percent (4.0%). Such cost-of-living adjustment shall apply to the employee's salary schedule and step only, excluding any Senior Pay Bonus or other premiums. The salary adjustment shall be effective the first pay period in July 2024.

All other terms and conditions of the current GMEA MOU will remain in effect for the term of the MOU.

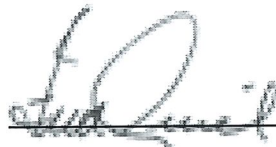
CITY OF GARDENA



CLINT OSORIO
City Manager

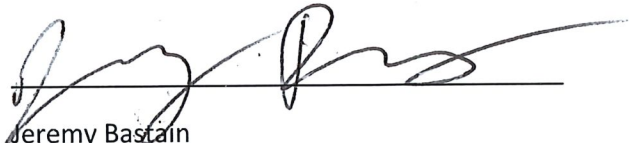
Date: 1/20/22

**GARDENA MUNICIPAL EMPLOYEES
ASSOCIATION**



Fred Quiel
GMEA Business Representative

Date: 1/19/22



Jeremy Bastain
GMEA President

Date: 1/19/22