

**Side Letter of Agreement
Superior Court of California
County of San Benito
And
Service Employees International Union, Local 521
General Representation Unit
June 5, 2014**

The Superior Court of California, County of San Benito (Court) and Service Employees International Union, Local 521, General Representation Unit (Union) enter into this Side Letter of Agreement and hereby agree to the following:

1. Meaning and Effect of Side Letter of Agreement.

Unless otherwise stated, the provisions of this Side Letter of Agreement supersede any inconsistent, conflicting or redundant provisions of the parties' Memorandum of Understanding, October 16, 2013 through October 31, 2014 (referred to as the "MOU") and relevant provisions of the Court Personnel Manual. The provisions of the parties' MOU and Court Personnel Manual otherwise remain in full force and effect. As noted hereint below, this Side Letter shall extend the MOU to December 31, 2016. (See "Term of Side Letter of Agreement and MOU" below.)

2. Furlough Days

The 2013-2014 furlough program (Section 8.9) shall continue uninterrupted until completion on October 31, 2014.

Effective the first full pay period in November 2014, the Court shall implement a new furlough program. Due to the budgetary constraints, each employee in the bargaining unit will take twelve (12) furlough days during the time period November 1, 2014 – October 31, 2015 and twelve (12) furlough days during the time period November 1, 2015 – October 31, 2016. Part-time employees will take a pro-rata number of furlough days. The effects of furloughs on retirement benefits will be in accordance with California law and/or CalPERS requirements, as amended.

For the first time period of November 1, 2014 through October 31, 2015, the base compensation of each bargaining unit employee will be reduced by 4.62% beginning with the first full pay period of November 2014 and applied evenly across the next twenty six (26) consecutive pay periods until October 31, 2015. For the second time period of November 1, 2015 through

October 31, 2016, the base compensation of each bargaining unit employee will be reduced by 4.62% beginning with the first full pay period of November 2015 and applied evenly across the next twenty six (26) consecutive pay periods until October 31, 2016. The base compensation of each bargaining unit employee shall be the same process used to calculate the reduction of 4.62% in the 2013-2014 furlough program. In the event that an employee separates from employment with the Court or is on an unpaid leave for any reason during the term of this Agreement, compensation will be adjusted accordingly.

The Court reserves the right to determine, at its sole discretion, to reduce the number of furlough days required, return employees to their regular schedules, and restore Court operations. In the event that the Court exercises this right, employee pay and/or leave balances will be adjusted accordingly. The reduction of the number of furlough days will not impact the onetime offsets received in exchange for the twenty four (24) furlough days.

3. Furlough Accrual and Utilization

Unless otherwise reduced by the Court, full-time employees shall accrue furlough days as follows:

- Forty-eight hours of furlough (6 days) on the first full payroll period of November 2014.
- Forty-eight hours of furlough (6 days) on the first full payroll period of May 2015.
- Forty-eight hours of furlough (6 days) on the first full payroll period of November 2015.
- Forty-eight hours of furlough (6 days) on the first full payroll period of May 2016.

Part-time employees will accrue a pro-rata numbers of hours in the same manner as indicated above. Furlough days designated for the period of November 1, 2014 through October 31, 2015 shall not rollover for use in the November 1, 2015 through October 31, 2016 period; and, furlough days designated for the time period of November 1, 2015 through October 31, 2016 shall not rollover for use in the November 1, 2016 through December 31, 2016 time period.

Supervisors and employees will work to minimize the operational impact of furloughs on the Court. The furlough days must be used in full-day increments (8 hours) and can be used at the employee's request, **subject to the Court's prior approval**. Part-time employees must use furlough days in full-day increments (8 hours) until they no longer can accrue 8 hours of furlough—at which point, they must use the remainder of furlough hours in one increment. The Court further agrees to provide each employee with a monthly accounting of furlough date usage.

In order to ensure that furlough days are used within the designated time period, the Court may impose specific dates for an employee to use furlough days if their furlough bank contains five

(5) or more furlough days as of May 1, 2015 and also if their furlough bank contains five (5) or more furlough days as of May 1, 2016.

4. Meal and Incidental Rates

The parties incorporate by this reference the language already contained in section 9.1 of the parties' MOU, with the following amendment in **bold**:

No lunch or incidentals may be claimed on a trip of less than 24 hours, unless approved by the employee's supervisor. Any employee requesting lunch reimbursement must provide a receipt, proof lunch was not provided at the meeting or assignment attended and the lunch expense may not exceed the maximum allowable amount of **twelve dollars (\$12.00)**. According to the Internal Revenue Code, meal costs for same-day travel, even if reimbursed by the employer, are a personal expense, not a "business expense," which means meal costs for same-day travel are subject to taxation, except as noted below.

5. Disciplinary Actions

The parties incorporate by this reference the language already contained in section 11.3 of the parties' MOU, with the following amendment in **bold**:

Written Reprimand: The supervisor may give the employee a written reprimand. If the circumstances that led to the written reprimand are not resolved within a reasonable time, the supervisor may take **other** disciplinary action. At the time of presenting the written reprimand to the employee, the employee shall sign an acknowledgement that they have been presented with the written reprimand. This is not an admonition, but an acknowledgment that it was presented to the employee. The employee will be provided a copy of the written reprimand and will be provided seven (7) working days to submit a written response to the written reprimand. This written response shall also be placed in the employee's personnel file. After two (2) years, if there are no other disciplinary issues, the reprimand shall be removed from the employee's file upon written request.

6. Funding Contingency

In the event the Court's allocation for Program 45.10 increases or decreases 10% or more from fiscal year 2014-2015 to fiscal year 2015-2016, the MOU may be reopened by either party within thirty (30) calendar days **before November 1, 2015**. If the MOU is reopened under this specific condition, the Court and this bargaining unit shall meet and confer solely on economic terms.

The Court shall provide timely notification to the stewards and the Union of any such change in allocation to Program 45.10 in fiscal year 2015-2016.

All other terms of this MOU shall remain in effect while the parties bargain on economic issues, including health care costs, under this provision.

In the event of an increase of 10% or more in medical health insurance costs for Benefit Year 2016, the Court shall notify the Union and, upon request, meet and discuss cost containment measures and less expensive alternatives to the existing medical health insurance plans for subsequent benefit years. The Court shall provide timely notification to the stewards and the Union of any such change in medical health insurance costs.

7. Term of Side Letter of Agreement and MOU

The provisions of this Side Letter of Agreement pertaining to cost saving measures shall terminate on December 31, 2016. This Side Letter of Agreement extends the MOU, which is set to expire on October 31, 2014, to **December 31, 2016**.

8. Offsets

Provided that the Union executes this Side Letter of Agreement by no later than 5:00 p.m. on June 20, 2014, the Court agrees to pay each permanent full-time and each permanent part-time employee of the bargaining unit 100% of each of the following onetime offsets that shall be paid to each employee by a check that is separate from their normal payroll check and is taxed pursuant to applicable laws:

1. Offset for furlough days: a onetime offset equaling 4.62% of salary for the time period of November 1, 2014 – October 31, 2015 and a onetime offset equaling 4.62% of salary for the time period of November 1, 2015 – October 31, 2016. The salaries of each bargaining unit employee for purposes of computing the offset for both time periods shall be as of the date of the execution of this Letter of Agreement, without deductions for furloughs.
2. Offset for a multi-year contract and in lieu of an ongoing increase: a onetime offset equaling 5% of current salary for the time period of November 1, 2014 – October 31, 2015 and a onetime offset of 5% of current salary for the time period of November 1, 2015 – October 31, 2016. The salaries of each bargaining unit employee for purposes of computing the offset for both time periods shall be as of the date of the execution of this Letter of Agreement, with deductions for furloughs.

Permanent full-time and permanent part-time employees who are hired by the Court during the term of this Letter of Agreement (between the date of execution of Letter of Agreement and December 31, 2016) are ineligible to receive any amount of the offsets described herein or any other consideration in lieu of the offsets described herein.

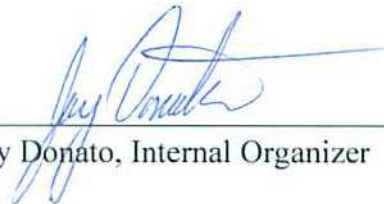
This Side Letter of Agreement shall become effective upon the date of execution of this Side Letter of Agreement.

Agreed to on this 5th day of June, 2014, by the parties authorized representatives.

Representatives for the Court: Representatives for SEIU, Local 521, CTW-CLC
General Representation Unit:



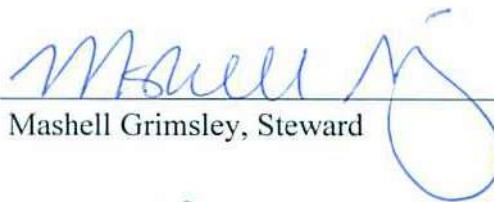
Gil Solorio, CEO



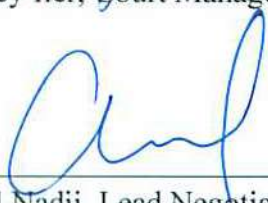
Jay Donato, Internal Organizer



Nancy Iler, Court Manager



Mashell Grimsley, Steward



Adel Nadji, Lead Negotiator



Trina Bonilla, Steward