

Side Letter Agreement

City of Santa Cruz And Mid-Management Association of the City of Santa Cruz Operating Engineers, Local #3

(September 17, 2018)

Pursuant to the provisions of the Meyers-Milias-Brown Act (“MMBA”), this Side Letter of Agreement (the “Side Letter Agreement”), related to the U.S. Supreme Court decision, *Janus v. AFSCME*, and California Senate Bill 866, is entered into on September 17, 2018, between the City of Santa Cruz (the “City”) and the Mid-Management Association of the City of Santa Cruz, Operating Engineers, Local #3 (the “Association”) as an amendment to the Memorandum of Understanding effective August 25, 2018 through August 23, 2019 (“MOU”).

It is understood and agreed that the specific provisions contained in this Side Letter Agreement shall supersede any previous agreements, whether oral or written, regarding the matters contained herein. Except as provided herein, all wages, hours and other terms and conditions of employment presently enjoyed by the Association in the MOU shall remain in full force and effect.

The City and the Association have met and conferred in good faith in accordance with the MMBA, concerning the terms and conditions of this Side Letter Agreement and its implementation and agree to the following:

Sections 9.03 and 9.04 of the MOU shall be replaced with the following:

9.03 Payroll Deduction

9.03.01 Payroll Deduction

The City shall deduct Association membership dues and any other mutually agreed-upon payroll deduction, to the extent permitted by law, from the monthly pay of each member employee. The Association will provide the City with information regarding the amount of dues deductions and the list of Association member employees who have affirmatively consented to or authorized dues deductions.

The City shall remit the deducted dues and any other mutually agreed payroll deduction, to the extent permitted by law, to the Association as soon as possible after the deduction.

The City agrees to direct each member employee to the Association with regard to any questions or concerns related to membership dues or any other mutually agreed payroll deduction, to the extent permitted by law.

The Association is responsible for providing the City with timely information regarding changes to member employees' dues and any other lawful Association-related payroll deduction.

9.03.02 Association's Certification

The City shall make payroll deductions in reliance on the Association's certification certifying that the Association has and will maintain an authorization, signed by each member employee who affirmatively consents to pay Association membership dues. Similarly, The City shall only cancel or modify any membership dues or any other mutually agreed payroll deduction, to the extent permitted by law, for any member employees in reliance on the information provided by the Association.

The City shall not request the Association to provide a copy of any member employees' authorization unless a dispute arises about the existence or terms of the authorization.

9.04 Indemnification

The Association shall indemnify, defend, protect and hold harmless the City and its elected and appointed officials, officers, employees, officers and agents (collectively hereafter the "Indemnitees") from and against any and all claims, liabilities, losses, damages, fines, penalties, claims, demands, suits, actions, causes of action, judgments, costs and expenses (including, but not limited to, reasonable attorneys' fees and court costs) arising from the application of any provisions under Section 9.03, including, but not limited to, any claims made by any member employees for the membership dues deductions the City made in reliance on the Association's certification, and any claims made by any member employees for any deduction cancellation or modification the City made in reliance on the information provided by the Association, provided that the City promptly notify the Association of any such matter for which it is seeking indemnification after the City has knowledge of the occurrence of such matter.

In the event any such action or proceeding is brought against the City by reason of any such claim, the Association, upon notice from the City, covenants to defend such action or proceeding by counsel reasonably satisfactory to the City. Further, the Association agrees to indemnify and hold harmless the Indemnitees for any loss or damage arising from the Association's actions or inactions under Section 9.03. However, the Association shall have the exclusive right to direct counsel, control the defense of any action or proceeding, and determine whether any such action or proceeding shall or shall not be compromised, resisted, defended, tried or appealed on the premise and condition that the Association shall fully compensate for any monetary loss to the City based on the Association's determination, if any.

**The Mid-Management Employees of the
City of Santa Cruz, Operating Engineers,
Local #3**

City of Santa Cruz

Date: 9/17/18

By: Michael Moore
Michael Moore

Date: 9/17/18

By: Lisa Murphy
Lisa Murphy

Date: 9/17/2018

By: Katherine Donovan
Katherine Donovan

Date: 9/17/18

By: Joe McMullen
Joe McMullen