

EXHIBIT A

DEPARTMENT HEADS

Term: April 1, 2010 through June 30, 2011, the Department Heads agree to the following:

Sick Leave Buyback: Forgo participation in Sick Leave Buyback to include award earned in 2010 and cashed out in 2011.

Vacation Cashout: Forgo the Vacation Cashout to include vacation earned in 2010 and cashed out in 2011.

Performance Award Pay: Forgo the Performance Award Pay to include award earned in 2010 and awarded in 2011.

Administrative Leave Cashout: Forgo the Cashout of Administrative Leave. The Administrative Leave hours will continue to accrue, but not available to be cashed out. The current accrual cap is 20 hours, but that will be removed for the term of this agreement.

PERS: Department Heads will continue to contribute 5.46% toward the PERS Employer contribution. In addition, effective July 1, 2010, they will make an additional 3% contribution toward the PERS Employer contribution which is intended to offset the scheduled July 1, 2010, wage adjustment of 3%. This will be a total of 8.46% beginning July 1, 2010 through the term of this agreement. The contribution will be made on a pretax basis.

PTO: Department Heads will continue to receive 2 Paid Time Off (PTO) days per month through the term of this agreement. The established policies for use of PTO must be followed.

Department Head Incentive Pay: The Department Head Incentive Pay of 5.8% shall be rolled into salary effective April 1, 2010.

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The current concessions described in City Council Resolution 2010-22 will continue through June 30, 2012.

Effective January 1, 2011 through June 30, 2012, the Department Heads base salary will be reduced by 5.5%. This includes the City Manager and City Attorney salaries. Subject to the condition that if the City negotiates a lower wage reduction or reduction in benefits with another City bargaining group for the current fiscal year or fiscal year 2011/2012, the Department Heads shall have the option of replacing the 5.5% wage reduction with such lower wage or benefit reduction (hereinafter the "Option"), retroactive to January 1, 2011.

The Department Heads, City, Manager, and City Attorney understand that further discussion regarding potential Retirement and Salary/Benefit reductions may be necessary prior to June 30, 2012 if further budget savings are needed.