

**Agreement between
City of Fresno**

and

Employee Organizations Representing City of Fresno Employees

This agreement was reached in an effort to lower the current cost of the monthly health contribution rates between March 1, 2009 and June 30, 2010 as set by the Fresno City Employees Health and Welfare Trust (Trust) thereby assisting to ameliorate fiscal developments faced by the City of Fresno (City). The agreement also provides short term guarantees by the City for the unencumbered reserve of the Trust while setting a long term minimum of four (4) months for the Trust unencumbered reserve. This agreement sets forth the full and entire understanding of the City and Bargaining Units whose representatives have signed this agreement regarding these matters. This Agreement is effective March 1, 2009 and will remain in force so long as the Trust agrees to maintain a health contribution rate that is calculated to maintain a minimum of a four (4) month unencumbered reserve as calculated by the actuary selected by the Trust (actuary).

1. This agreement will be effective only if the provisions below affecting the Trust are approved by a majority of affected represented bargaining units and the City Council and if the Trust sets a monthly health contribution rate of seven hundred twenty-nine dollars (\$729) effective March 1, 2009 through June 30, 2010.
2. The parties agree that, for the period March 1, 2009 through June 30, 2010, if the Trust unencumbered reserve falls below a four (4) month unencumbered reserve as calculated by the actuary selected by the Trust for two (2) consecutive months, the City will pay to the Trust an amount sufficient to restore the level of the Trust unencumbered reserve to four (4) months.
3. The restoration to a four (4) month unencumbered reserve must occur within 30 days notice to the City by the Trust's third party administrator. This payment by the City shall not be utilized in the calculation of the amounts due by the City and employees for established Trust health contribution rates.
4. Effective June 30, 2010 if the Trust unencumbered reserve is calculated by the actuary selected by the Trust to be less than a four (4) month unencumbered reserve, the City will pay an amount to the Trust sufficient to restore the level of the unencumbered reserve to four (4) months. This payment by the City shall not be utilized in the calculation of the amounts due by the City and employees for established Trust health contribution rates.
5. The parties agree that, for the monthly health contribution rate effective July 1, 2010 and for all subsequent monthly health contribution rates, the Trust will set a monthly health contribution rate not less than the rate calculated by the actuary

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selected by the Trust necessary to maintain a minimum unencumbered reserve of four (4) months.

6. The parties will support amendments to the Trust necessary to implement this agreement.

**FOR THE FRESNO CITY
EMPLOYEES ASSOCIATION:**



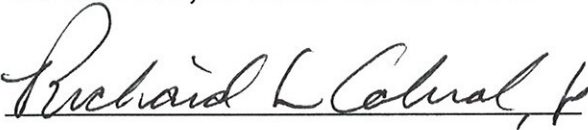
**FOR THE INTERNATIONAL
ASSOCIATION OF FIREFIGHTERS,
LOCAL 753, BASIC UNIT:**



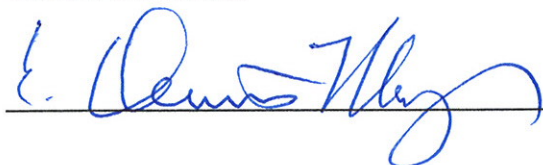
**FOR THE INTERNATIONAL
BROTHERHOOD OF ELECTRICAL
WORKERS, LOCAL 100:**



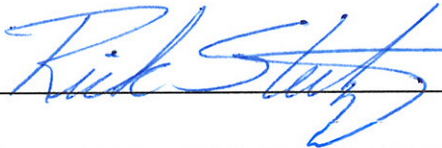
**FOR THE INTERNATIONAL
ASSOCIATION OF FIREFIGHTERS,
LOCAL 753, MANAGEMENT UNIT:**



**FOR THE CITY OF FRESNO
MANAGEMENT EMPLOYEES
ASSOCIATION:**



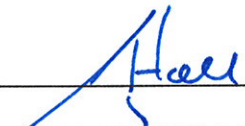
**FOR THE AMALGAMATED TRANSIT
UNION, LOCAL 1027**



**FOR THE FRESNO POLICE OFFICERS
ASSOCIATION, BASIC UNIT:**



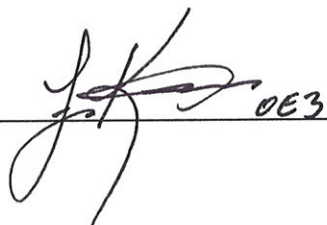
**FOR THE FRESNO POLICE OFFICERS
ASSOCIATION, MANAGEMENT UNIT:**



**FOR THE CITY OF FRESNO
PROFESSIONAL EMPLOYEES
ASSOCIATION:**



**FOR THE FRESNO AIRPORT PUBLIC
SAFETY SUPERVISORS:**



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Employee Organizations representing City of Fresno Employees

FOR THE CITY OF FRESNO:



Date: February 24, 2009

APPROVED AS TO FORM
CITY ATTORNEY'S OFFICE

BY: Tommi R. Asghatelian
Deputy City Attorney