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**Letter of Agreement
Between the County of El Dorado
And The
El Dorado County Employees Association, Local No. 1
Representing Employees in the
General (GE), Professional (PL), and Supervisory (SU) Bargaining Units**

Whereas, the memorandum of understanding between the El Dorado County (County) and the El Dorado County Employee's Association, Local No. 1 (Local 1) representing employees in the General (GE), Professional (PL), and Supervisory (SU) bargaining units Local 1 provide for a Retiree Health Contribution as defined in Article 9, Section 9, for those employees hired prior to September 22, 2009, and

Whereas, the language in Article 9, Section 9 of the agreement states that County contributions for all bargaining units under this program shall not exceed 1.2% of total County payroll costs during any given fiscal year pursuant to the provisions of the Retiree Health Benefits Contribution Plan Document that provide the total actual or projected cost of the Retiree Health Benefits Contribution Plan shall never exceed 1.2% of Total Payroll Costs during any single fiscal year, and

Whereas it has been determined that the Retiree Health Contribution will exceed 1.2% of total County payroll costs during the current fiscal year by approximately \$526,000 that was not projected at the beginning of FY2010-11 due to unanticipated layoffs and increases in retirees who accepted early retirement incentives that reduced total payroll costs, and

Whereas, under the current Memorandum of Understanding and the Health Benefits Contribution Plan Document, the County would be required to reduce the County's contribution by approximately 42% with a resultant increase to the Retiree contribution, and

Whereas, it has been determined by the County Board of Supervisors that an immediate 42% reduction in the County Health Benefits Retiree Contribution would be detrimental to the current retirees and the terms of the MOU and the Retiree Health Benefits Contribution Plan are ambiguous as to the definition of total payroll costs, and

Whereas the County Board of Supervisors has decided to continue to pay the contribution rates currently in effect through June 30, 2011, and to fund the County Contributions that exceed the 1.2% cap for FY2010-11 only, from the Retiree Health Benefits Contribution Fund, on a one-time only basis, and, effective July 1, 2011 the Retiree Health Benefits Contribution Cap (1.2%) shall be calculated and the County contribution rate shall be adjusted to meet the calculated cap, therefore,

This Letter of Agreement (LOA) is to memorialize the agreement reached between the County of El Dorado (County) and the El Dorado County Employee's Association, Local

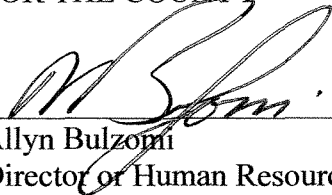
No. 1 (Local 1) representing employees in the General (GE), Professional (PL), and Supervisory (SU) bargaining units, through their duly authorized representatives.

The parties agree to amend the plan document to define Total Payroll Costs for FY 2011-12 as, "the Chief Administrative Officer's best estimate available at the time of rate calculation for the May, 2011 open enrollment period, of the total annual cost to all County Departments to be included in the Recommended Budget, for those employee salaries and benefits which, as computed using the system in effect during the year 2000, included all "Class 30" expenses with the following exceptions: the costs of temporary employees, health benefits, health benefit contributions, and overtime".

The parties agree to further amend the plan document to define Total Payroll Costs for FY 2012-13 and subsequent fiscal years as, "the total annual cost to all County Departments as set forth in the Recommended Budget for those employee salaries and benefits which, as computed using the system in effect during the year 2000, included all "class 30" expenses with the following exceptions: the costs of temporary employees, health benefits, health benefit contributions, and overtime".

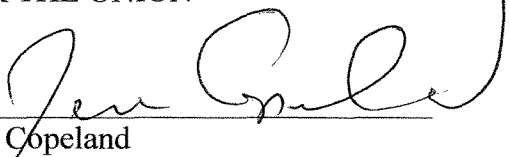
The parties understand the Retiree Health Contribution rates will be recalculated annually on a calendar year basis effective January 1 of each calendar year.

FOR THE COUNTY



Allyn Bulzoni
Director of Human Resources

FOR THE UNION

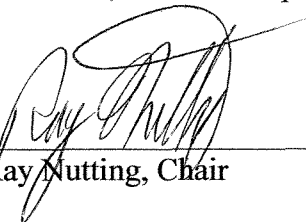


Jere Copeland
Executive Director – Local 1

DATE: 6/7/10

DATE: _____

Chairman, Board of Supervisors



Ray Nutting, Chair

ATTEST: Suzanne Allen de Sanchez,
Clerk of the Board of Supervisors

By: 

Deputy Clerk

DATE: 6-21-11

DATE: 6-21-11