

SIDE LETTER AGREEMENT #1

BETWEEN

PROFESSIONAL UPPER MANAGEMENT ASSOCIATION (PUMA)

AND

THE CITY OF HANFORD

for the July 1, 2025 to June 30, 2027 MOU

The City of Hanford ("City") and the Professional Upper Management Association ("PUMA") hereby enter into this Side Agreement to amend the Compensation and Benefits Summary ("Summary") between the City and PUMA. This Side Agreement to the Summary amends Section 2 "Vacation."

"Vacation

I. Eligibility

Employees shall complete six (6) months continuous service before using accrued vacation leave. Employees shall not work for the City during their vacation.

Employees whose scheduled vacations are interrupted or postponed due to industrial injury shall be rescheduled after such injured employee has returned to duty. No vacation previously scheduled shall be lost due to an employee exceeding the vacation accrual during an industrial injury leave.

II. Accrual

Vacation will be accrued and credited on a bi-weekly basis at the following rates for continuous service performed in pay status:

- (1) From zero (0) through five (5) years:
3.39 hours per bi-weekly pay period, 88 hours annually
- (2) From six (6) through ten (10) years:
4.62 hours per bi-weekly pay period, 120 hours annually
- (3) From eleven (11) through fifteen (15) years:
5.24 hours per bi-weekly pay period, 136 hours annually
- (4) Sixteen (16) through nineteen (19) years:
6.16 hours per bi-weekly pay period, 160 hours annually

- (5) Twenty (20) or more years:
6.46 hours per bi-weekly pay period, 168 hours annually

~~Upon appointment to a Department Head position,~~ The City Manager shall have the discretion to provide vacation accrual based on years of service at another public entity (State, County or City municipality) in a management ~~or technical~~ level position. Verification of years of service, title and job functions will be conducted through the Human Resources office prior to awarding the increased vacation accrual.

III. Limits of Accrual

Such accrual and credit for all employees may not exceed twice the employee's annual rate of accrual.

IV. Buyback

~~Employees shall be able to cash out accrued vacation at an equal amount of vacation time used in the calendar year, but no more than eighty (80) hours each year. With the exception of job-protected medical leave (FMLA/CFRA), employees who are on leave such as workers compensation and administrative leave shall not be able to cash out accrued vacation hours.~~

Employees shall be eligible to cash out accrued vacation hours up to an amount equal to the number of vacation hours used during the same calendar year, not to exceed a maximum of one hundred sixty (160) hours per calendar year.

To qualify for the cash-out:

- 1) Employees must have used vacation leave during the calendar year in an amount equal to or greater than the number of hours they wish to cash out;
- 2) The total vacation hours cashed out in a calendar year shall not exceed 160 hours;
- 3) Employees must retain a minimum vacation balance of forty (40) hours after the cash-out is processed.

With the exception of job-protected medical leave (e.g., FMLA/CFRA), employees who are on non-job-protected leave, including but not limited to workers' compensation leave and administrative leave, shall not be eligible to cash out vacation hours during such periods.

V. Compensation at Termination

Employees leaving the municipal service with accrued vacation leave shall be paid the amounts of accrued vacation to the date of termination at the employee's then hourly rate. Employees who terminate employment with the City and who have less than six (6) months of continuous service shall not be compensated for accrued vacation.

Except as amended herein, each and every term and condition of the Summary shall remain in full force and effect, and this Side Letter Agreement shall be incorporated into the Summary as adopted.

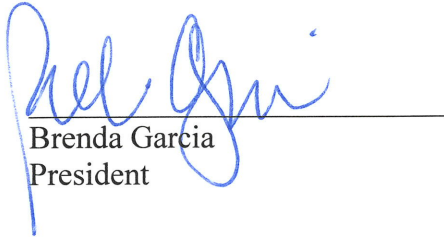
Agreed this 26th day of August 2025.

For the City:

A handwritten signature in blue ink, appearing to read "Chris Tavarez", written over a horizontal line.

Chris Tavarez
Interim City Manager

For the PUMA:

A handwritten signature in blue ink, appearing to read "Brenda Garcia", written over a horizontal line.

Brenda Garcia
President