

**SIDE LETTER OF AGREEMENT BETWEEN THE CITY
AND THE SANTA MARIA POLICE OFFICERS' ASSOCIATION
REGARDING THE MANDATORY TIME OFF PROGRAM FOR
NON-SWORN EMPLOYEES**

This Side Letter of Agreement is entered into between the City of Santa Maria (hereinafter referred to as "City") and the Santa Maria Police Officers' Association (hereinafter referred to as "SMPOA"). This Side Letter of Agreement is intended to continue the Mandatory Time Off (MTO) Program for the non-sworn (excluding dispatch-related) employees until March 9, 2012.

The following provisions of this Side Letter of Agreement represent the mutual understanding and consent of both parties as of December 22, 2011.

The City and SMPOA hereby agree to the following:

From December 17, 2011 through March 9, 2012, all non-sworn employees (excluding dispatcher personnel) will participate in the following MTO Program and will receive, on a pro-rated basis, a bank of twenty-four (24) MTO hours, to be scheduled off with pay by formal request by each employee with the approval of the department head. In recognition of providing additional hours off during this period said employees shall have a five percent (5%) negative premium charged to their base salary pay rate per payroll period.

Because the intent of the MTO program is to save salary costs, any bank of MTO hours will only be valid from December 17, 2011 through March 9, 2012. MTO bank hours shall only be used to compensate for time-off to equal forty (40) hours in a work week. No MTO bank hours will be accumulated or rolled over after March 9, 2012 and all unused MTO hours will automatically expire and be erased from the books on March 9, 2012. For employees separating service or starting during this period, MTO bank hours will be pro-rated (to the nearest half-hour) based on the number of full pay periods elapsed or remaining during the payroll year. If an employee, prior to separating service, used more MTO bank hours than the pro-rated amount for the payroll year, the excess MTO hours used will be deducted from the employee's final pay check. MTO Bank hours are a "use it or lose it" benefit and no unused MTO bank hours will be cashed out.

For those employees that receive a bank of MTO hours, said employees are to use accrued MTO hours prior to using any of the following applicable leave hours: vacation, compensatory time or floating holiday. However, during the above stated period, in those rare occurrences where a full-time employee's accumulated vacation accruals reach 336 hours, an exception will be made to provide the employee with the option of using accrued vacation prior to using MTO hours. City Management and the employee shall mutually work together for approval of properly requested pre-scheduled MTO paid time off in order to give reasonable advance notice to employees and to insure appropriate staff coverage. Department heads will

not unreasonably deny proper timely employee requests for use of accrued MTO hours, but shall exercise reasonable discretion in denying a request based on determination that use of the MTO hours is reasonably expected to negatively impact the efficient operation of the Department and/or result in overtime expenditures to backfill for the employee using MTO hours.

Employees shall not work any additional hours beyond those regularly scheduled during the week in which an MTO day occurs, without prior written authorization of the Chief of Police. Consequently, there shall be no scheduled overtime during a work week in which MTO time is used. If any employees are called back to work by the City Management, on a day previously scheduled off as an MTO day, the time shall be considered emergency call back and shall be paid at time-and-one-half in cash for the duration of the call back assignment.

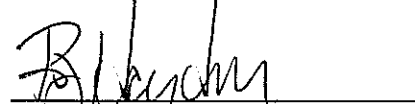
Credit toward sick leave, vacation and other benefit calculations (such as step advancements and move-up pay) that are based on time-in-service will continue to be earned as participation in the MTO Program shall not count as a break in service and shall not affect seniority. Probationary periods shall not be affected for MTO time used.

Employees shall continue to make his/her same pre MTO Program contributions to all employee benefits, such as retirement and dependent health premiums (if applicable).

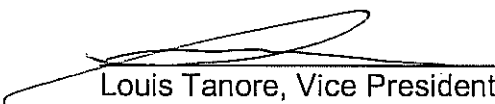
This Side Letter of Agreement is enacted on this 22 day of December 2011.



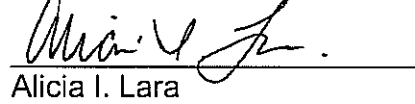
Chris Nartatez, President
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Richard J. Haydon
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Alicia I. Lara
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