



July 25, 2008

TO: MCEA Members
FROM: MCEA Negotiations Team
SUBJECT: Interim Agreement Reached

MCEA and the City are back at the negotiations table.

On Friday, July 25, 2008, MCEA negotiators met with City officials and reached an interim agreement to implement a three (3) percent across the board salary increase as well as increases to health care contributions as follows:

\$890/mo. for families
\$495/mo. for singles
\$400/mo. for opt outs

Implementation of this salary increase is to become effective the pay period in which the City Council approves this interim agreement. The City Council will consider this interim agreement on August 6.

Implementation of these health care increases will be effective July 22.

For clarification, this is is not a final Memorandum of Understanding (MOU). It is an interim agreement to give MCEA members some immediate financial relief as we continue to negotiate a comprehensive MOU.

Of course, all of this is subject to City Council approval, but we are cautiously optimistic because the City's negotiators agreed to "recommend" the interim agreement to the Council.

MCEA and the City have scheduled seven negotiations days over the next four weeks. These are July 29, 31, August 11, 12, 18, 20, and 22.

As usual, we will keep you updated as negotiations unfold.

**CITY OF MODESTO
Agreement
July 25, 2008**

The parties agree to the following:

Base pay for all classes represented by MCEA shall increase by three percent (3%) effective the pay period in which Council adopts the agreement.

The City contribution to Health, Dental and Vision shall increase as follows effective July 22, 2008 subject to City Council adoption:

Family : \$890
Employee only: \$495
Opt Out: \$400

The City will prepare an agenda item on this agreement for Council consideration in August 2008.

The City and MCEA agree to meet and confer over a comprehensive memorandum of understanding for 2008-2009.

Signed July 25, 2008

City of Modesto

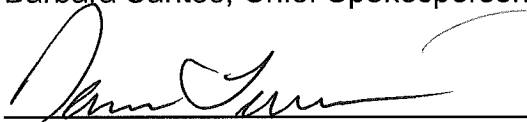
MCEA



Barbara Santos, Chief Spokesperson




Tom McCarthy, MCEA President



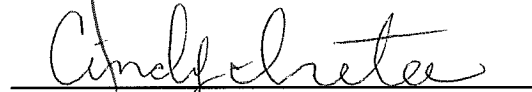
Dennis Turner



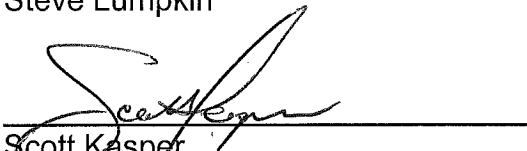
Ronnie Flood



Steve Lumpkin



Cindy Ireta



Scott Kasper



Mark Chadwick



Joe Rose, Attorney