

February 19, 2008

Mr. Joe Lanthier
Secretary Treasurer
IBT Local 856
453 San Mateo Ave.
San Bruno, CA 94066

Re: Miscellaneous Unit 2006-2008 MOU and Mid-Management Unit 2007-2009 MOU

Dear Joe:

This letter reflects the agreement between the City of San Bruno and the Teamsters Local 856 and clarifies the understanding of the parties related to Section 18.1., Health and Welfare of the Miscellaneous Unit Memorandum of Understanding, and Section 20.1., Health and Welfare of the Mid-Management Union Memorandum of the Understanding.

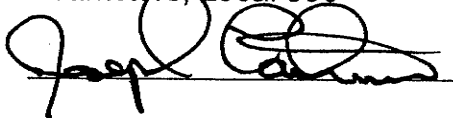
The intent is to clarify relevant sections of the MOUs regarding the dollar amount remaining above the actual medical premium increase (on October 1) and the 10% maximum medical premium increase to be paid by the City. The City and Union agree that effective October 1, 2008, the City will apply the October 2007 medical premium savings below the 10% cap (\$34.75 per month) to the salary schedule for each position, along with any additional October 2008 medical premium cap savings.

If on October 1, 2008, the new medical premium amount is over the 10% medical premium cap, that difference will be the responsibility of the employees. This amount will be added to each employee's contribution toward the medical premium.

This letter also confirms that the implementation date for the November 2007 4% general salary increase for the Miscellaneous Unit, and the February 2008 4% general salary increase for the Mid-Management Unit, is the first full pay period in that month as it has been applied in previous MOUs.

Sincerely,

Teamsters, Local 856



City of San Bruno

