

LETTER OF UNDERSTANDING
between the
ANAHEIM FIREFIGHTERS ASSOCIATION, LOCAL NO. 2899
and the
CITY OF ANAHEIM

The City of Anaheim ("CITY") and the Anaheim Firefighters Association, Local No. 2899, ("AFA") after meeting and conferring, have reached an understanding to amend Article 36.8 of the Memorandum of Understanding between the parties dated July 1, 2001 through June 30, 2005, to reflect a change in the manner in which employees may cash in their sick leave trust fund account. The PARTIES have reached an understanding as follows:

1. Article 36.8 will be amended, effective the first pay period following City Council approval of this Letter of Understanding, as follows:

36.8 In the event that an employee becomes ill during working hours and is placed on paid sick leave prior to the close of the workday, such paid sick leave shall be calculated to the nearest hour.

36.8.1 An employee who has more than ten (10) years of continuous City service may elect ~~once each calendar year~~ to receive all or a portion of his or her Employee Sick Leave Trust Fund amount. ~~When requested, Such payments may be diverted to the employee's deferred compensation account, within the limits established by law, or~~ shall be paid by separate check subject to standardized withholding taxes. When partial payment is requested, the amount shall not be less than twenty five percent (25%) of the balance, and a maximum of four such partial payments shall be allowed, with the fourth payment paying the entire remaining balance in the account.

36.8.2.1 Beginning with tax year 2004 and thereafter, employees may no longer elect to receive a portion of the Sick Leave Trust Fund amount and shall be paid any remaining balance only upon separation from City service.

~~36.8.1 Notwithstanding, the provisions of this Article, an employee may elect to transfer his or her interest in the Sick Leave Trust Fund to one of the deferred compensation providers offered by ANAHEIM when such employee is within three (3) years of anticipated retirement. Such transfer of interest is forfeitable to ANAHEIM in the event the employee terminates employment for any reason (other~~

~~than death, layoff or retirement) prior to accruing five (5) years of continuous City service and attaining age 50.~~

2. This Agreement constitutes the entire Agreement between the PARTIES. No modification of this Agreement shall be valid unless in writing and signed by the PARTIES. Any representation, warranty, promise, or statement of information shall not bind the PARTIES unless it is specifically set forth in this Agreement.

3. The PARTIES to this Agreement have read this Agreement and are signing it voluntarily, with full knowledge of its significance, acknowledging a full understanding of the contents contained herein.

**STAFF OFFICIALS of the CITY OF
ANAHEIM, a Municipal Corporation**

**ANAHEIM FIREFIGHTERS
ASSOCIATION, Local No. 2899**

By: David Hill

By: W. Stuck

By: [Signature]

By: _____

By: [Signature]

Dated: 11/24/03