

LETTER OF UNDERSTANDING
between the
ANAHEIM MUNICIPAL EMPLOYEES ASSOCIATION
and the
CITY OF ANAHEIM

The Anaheim Municipal Employees Association (AMEA), General Employees and Clerical Employees, and the City of Anaheim (ANAHEIM) after meeting and conferring, have reached an understanding to amend Article 39.10 (Sick Leave) of the Memorandums of Understanding between the Parties, dated September 29, 2000 through January 1, 2004, 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 39.10 of the Memorandums of Understanding between the AMEA and ANAHEIM will be amended, effective the first pay period following City Council approval of this Letter of Understanding, as follows:

39.10 Effective December 19, 1980 accrued Sick Leave hours shall be entered in a new Sick Leave plan and regular full-time employees with an average regular workweek of forty (40) hours who were employees as of that date, shall have up to one hundred seventy-five (175) hours transferred to the usable Sick Leave account. The remainder (over 175 hours) shall be credited as follows: seventy-five percent (75%) to be reported as service credit at retirement; twenty-five percent (25%) converted to cash value at the employee's current (December 19, 1980) regular hourly rate of pay and paid with interest at retirement, layoff or to their beneficiary, as designated by Public Employee's Retirement System records if the employee dies while employed.

39.10.1 Employees who retire shall receive service credit for all hours up to one hundred seventy-five.

39.10.2 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 their Employee Sick Leave Trust Fund amount. ~~When requested, Such payments may be diverted to the employee's Deferred Compensation account, within limits established by law~~ or **shall be** paid in cash by separate check subject to standardized withholding taxes. When partial payment is requested, the amount shall not be less than 25% of the balance, and a maximum of four (4) such partial payments shall be allowed with the fourth payment paying the entire remaining balance in the account.

39.10.2.1 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.

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 MUNICIPAL EMPLOYEES ASSOCIATION, General and Clerical Employees

By: David Hill

By: [Signature]

By: [Signature]

By: Burt Shuman

By: _____

By: Bia North

Dated: November 20, 2003

By: _____

Dated: November 20, 2003