MEMORANDUM OF UNDERSTANDING

The City of Las Vegas ("CLV") and the Las Vegas City Employees' Association ("Association") hereby agree to the following Memorandum of Understanding to the current Collective Bargaining Agreement ("Agreement").

<u>Section 1: Extension of the Collective Bargaining Agreement</u>
The Agreement shall be extended for an additional three years as follows:

<u>1.1 That Article 35 be amended to read:</u>

<u>Article 35 - Duration</u>
(A) This Agreement originally entered into on June 24, 2002, at 0001 hours and extended effective June 18, 2008 shall remain in full force until ~~June 25, 2011~~ <u>June 22, 2014</u>, at 2400 hours and shall continue from year to year thereafter unless the City and the Association agree to change, amend, modify or terminate this Agreement pursuant to the provisions of Chapter 288 of the Nevada Revised Statutes.

<u>1.2 That subsections (6) through (8) be added to Article 14(D) as follows:</u>

(6) Effective June 26, 2011, eligible employees will receive a COLA equal to three (3%) percent, which shall be attached to this agreement.

(7) Effective June 24, 2012, eligible employees will receive a COLA equal to three (3%) percent, which shall be attached to this agreement.

(8) Effective June 23, 2013, eligible employees will receive a COLA equal to three (3%) percent, which shall be attached to this agreement.

<u>Section 2: Reduction of COLA Option</u>
There will be a one percent (1.0%) reduction in the scheduled 3.5% COLA increase effective June 14, 2009. Thereafter, each year as a part of the budget approval process, the City Council may approve a resolution declaring that without a reduction in the scheduled raises, that it would not be possible for the City to balance the budget with revenues as projected.

If such a resolution is approved, then the scheduled raises shall be reduced by up to 1.0%, and shall be effective as of the date of the raise in the Agreement. The resolution shall specify the amount of any decrease (up to the 1.0%). The same resolution shall also limit any increase in average compensation (i.e., COLA, bonuses, and merit) of the executive and appointive employees to no more than that of the average increase in compensation of all CLV represented employees.

Within 60 days of the conclusion of the fiscal year, the CLV shall certify and provide backup documentation showing that the average increase in compensation for the executive and appointive employees did not exceed that of the average increase in compensation for the CLV represented employees.

That on or after January 2010, any resolution that affects the Association is conditioned upon the CLV having made reasonable efforts to negotiate or secure similar or more stringent terms with the other employee organizations.

Section 3: Article 23 – Schedules and Hours
That Article 23 of the Agreement be amended as per Exhibit A to this Memorandum of Understanding.

Section 4: Additional Time for Parties To Open Final Article of the Agreement
That Article 31(C) of the Agreement be changed as follows:

> Notwithstanding the provisions of section A of this article, either party may give written notice of its intent to open any article of this agreement for negotiations. Each party shall be limited to opening three (3) articles per year during calendar years 2006 and 2007 and one (1) article ~~during~~ on or after calendar year 2008. No more articles after January 1, 2009 may be opened except by mutual consent. Notice of intent to negotiate may include any subject or matter referred to or covered in this Agreement except for Articles 14, 15.16, 18, and 19.

Section 5: Limitation on Layoffs
Layoffs of LVCEA represented employees shall be limited to the following conditions:

1) ~~Workload has diminished to the point where it does not justify current staffing levels.~~
2) The CLV decides to eliminate a service;
3) An enterprise fund has an operating deficit that can only be remedied through a layoff; or
4) The Budget Action Corrective Plan is revised due to one of the triggers in the general fund fiscal model. Those triggers are:
   a) Revenue drops more than 2% from the projection during a 6 month period; or
   b) The revenue drop in a 6 month period exceeds 50% of the Revenue Stabilization Fund (once established)

The City Manager's Office will consult with the leadership of the Association prior to taking any action to reduce the workforce through any employee layoffs. Section 5 of this Memorandum of Understanding is not subject to arbitration. Neither Section 2 or 5 of this Memorandum of Understanding shall have any precedential value and shall not continue after the affective date of this Agreement.

12/17/08

[signature] V.P.
Las Vegas City Employees' Association
For Tommy Ricketts

[signature]
City of Las Vegas

Tentatively Agreed to by the City and the LVCEA Final Approval by ratification by the City Council and the LVCEA Membership needed.