

MODIFICATION TO MOU

This is to correct an issue with direct leave transfers to the PORAC Retiree Medical Trust upon retirement. To correct the issue, the bulk of section 15.G.1 is moved to Section 16 and the remainder of Section 16.G will be null and void.

SECTION 15 – Retiree Medical Trust (RMT)

~~G. — Vacation and/or Sick Leave Transfers to Trust. The City and the OPOA agree that the City will make the following transfers, on a pre-tax basis, to the Trust on behalf of every employee in the Defined Class:~~

- ~~1) Options to Direct Leave Transfer. The employee shall have the option to contribute the amount of sick leave transfers identified in Section G(1) above to the Retiree Medical Trust, to a qualified 457 plan, or to use the sick leave hours for service credit at retirement. The employee shall not have the option to receive a cash payout for the value of the accrued leave amount contributed to the Trust in lieu of making contributions to the Trust or to one of the other options listed in this paragraph. (MOVED TO SECTION 16)~~
- ~~2) Remittance of Leave Contributions. The City shall transfer the accrued leave payments in accordance with the rules set by the Trust Office for the duration of the Memorandum of Understanding. Such accrued leave payments shall be remitted, in one aggregate payment as directed by the Trust Office within 30 days of the date the payment would have been payable to the employee.~~

SECTION 16 - Sick Leave

All employees shall be eligible to accrue one (1) day of sick leave per month. Sick leave shall not be considered as a right that an employee may use at his discretion, but shall be allowed only in case of necessity and actual personal sickness or disability.

Effective July 1, 2001, the parties added the following amendment: "Unused sick leave may be accumulated in an unlimited amount."

The amendment shown above shall not affect present retirement policy concerning sick leave cash out, in that employees retiring with twenty or more years of service with the City will receive one-half of their accumulated sick leave based on a maximum accumulation of 1200 hours. Accumulated hours in excess of 1200 shall not be considered when implementing sick leave cash out provisions.

Per Resolution 94-07 the Orland City Council indicated how the sick leave payout would be handled: "Employees retiring with more than twenty years or more service with the City of Orland will receive one-half of their accumulated sick leave. This money

would be paid over eighteen months and the employee would have the option of having this money used to pay their health insurance premiums."

Options to Direct Leave Transfer. The Employees shall have the option to contribute the amount of sick leave transfers identified in Section G(1) above to the ~~Retiree Medical Trust~~, to a qualified 457 plan, or to use the sick leave hours for PERS service credit at retirement. The employee shall not have the option to receive a cash ~~contributed to the Trust~~ payout for the value of the accrued leave amount ~~other~~ in lieu of making contributions to ~~the Trust or to~~ one of the options listed in this paragraph.

CITY OF ORLAND

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