

TENTATIVE MEMORANDUM OF UNDERSTANDING

Effective this ~~13th~~^{7th} day of May, 2014 (the "Effective Date"), the City of North Las Vegas, a Nevada municipal corporation (the "City"), and the North Las Vegas Police Officers Association, a local government employee organization (the "POA") (each a "Party" and collectively, "the Parties") agree to supplement and amend the provisions of the Non-Supervisor Collective Bargaining Agreement between the Parties ("CBA") as follows:

RECITALS

A. Pursuant to NRS Chapter 288, the City and the POA entered into a Collective Bargaining Agreement entitled "Non-Supervisor Agreement 2007-2012 between the City of North Las Vegas, Nevada and the North Las Vegas Police Officers Association", effective July 1, 2007 (the "CBA").

B. On June 1, 2012, the City of North Las Vegas City Council adopted Resolution 2475 suspending certain terms of the CBA for Fiscal Year 2012/2013. On June 19, 2013 the City of North Las Vegas City Council adopted Resolution 2496 renewing and extending Resolution 2475 for Fiscal Year 2013/2014 (Resolution 2475 and Resolution 2496 shall collectively be referred to as the "Resolutions").

C. Pursuant to the terms of that certain Settlement Agreement between the Parties, of even date herewith, the Parties have entered into an agreement to fully and finally resolve all disputes related to the Resolutions, without either Party admitting liability or fault, and in a compromise of each of their positions and rights (the "Settlement Agreement").

D. As further consideration to enter into the Settlement Agreement and to assist the City to implement a balanced budget for Fiscal Years 2013/2014, 2014/2015, and 2015/2016, the Parties desire to further amend the terms of the CBA under the terms and conditions set forth in this Memorandum of Understanding (this "MOU").

AGREEMENT

In consideration of the mutual covenants and agreements of the Parties to this MOU, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby warranted and agreed as follows:

1. Article 1, Section 7 entitled "Definitions of Regular Full-Time Employees" shall be amended by adding a new Subsection B:

"The Parties agree that any employees hired after July 1, 2014 must move into the City of North Las Vegas within six (6) months of completion of their probationary period as defined herein."

2. Article 7 entitled "Wages" shall be amended by inserting the following language as a new Section 4 entitled "Reinstatement of Merit Increases":

"Within-class increases (also known as step increases) are suspended from July 1, 2012 through June 30, 2014. Peace officers' ability to achieve step increases will resume July 1, 2014 for Fiscal Year 2014-2015 only. No peace officer shall be eligible for any step increases that would have otherwise been available during the two year time period that the increases were suspended. There will be no step increase for Fiscal Year 2015-2016.

3. Article 7 entitled "Wages" shall be amended by inserting the following language as a new Section 5 entitled "Within-Class Increases for New Peace Officers":

"Probationary employees hired after July 1, 2014 will receive wages at Grade 49 during the probationary period as set forth in the table entitled "New Hire Wage Scale" attached to this Agreement as Schedule 1 and incorporated herein. Upon expiration of the probationary period and confirmation of appointment, peace officers will be assigned the classification of 50P. 50P Peace officers hired by the City after July 1, 2014 may achieve within-class increases in a thirteen-step process, on the twelve-month anniversary of their confirmation date, until they reach the top step of their respective grade as set forth in the table entitled "New Hire Wage Scale."

4. Article 7, Section 2 entitled "Cost-of-Living Adjustment" shall be amended by inserting the following as a separate paragraph after the third paragraph:

"Notwithstanding the foregoing, there will be no COLA from July 1, 2013 until the end of the term of this Agreement for any peace officer."

5. Article 8 entitled "Longevity" shall be amended by inserting the following language as a new Section 5 entitled "New Peace Officers":

"Peace officers hired by the City after July 1, 2014 shall not be eligible for any longevity pay."

6. Article 12, Section 2 entitled "Clothing Allowance" shall be amended by inserting the following at the end of the chart:

Fiscal Year 2014-2015	\$0
December 2015	\$500.00

7. Article 15, Section 2 entitled "Medical Benefits" shall be amended by deleting the current Subsection A and replacing it with the following:

"The City shall be required to provide to POA represented employees a health benefit program (medical insurance, dental insurance, vision insurance and cafeteria plan) that is substantially similar to the program that was provided to the POA on July 1, 2013 (the medical insurance portion of which had been referred to as both the "Premium Plan" and "Option 4", and a summary of which is attached hereto as Schedule "2".) Unless an employee opts out of the City's health benefit program as provided in Article 15, Section 2, Subsection D, beginning on July 1, 2014, each employee agrees to contribute the following amounts per month for medical benefits:

- Employee only - \$84.00 per month
- Employee and spouse or child(ren) - \$184.00 per month
- Employee and family - \$267.00 per month

8. Article 15, Section 2 entitled "Medical Benefits" shall be amended by adding new Subsection D as follows:

"Employees will have the option to opt out of the City's health benefit program if they are covered through their spouse or domestic partner and in compliance with the Affordable Care Act. Once those employees show proof of other health insurance coverage to the City, the City will pay a stipend to the employee in the amount of Four Hundred and Fifty Dollars (\$450) per month. The stipend will immediately cease if the employee is not covered by other health insurance or the employee's coverage does not comply with the Affordable Care Act."

9. Article 19, Section 1 entitled "Holidays" shall be amended by inserting the following language to the end of Subsection E:

"Notwithstanding the foregoing, from July 1, 2014 through the end of the term of this Agreement, a peace officer who continues to be employed with the City cannot elect to be compensated for accrued holiday time."

10. Article 19, Section 1 entitled "Holidays" shall be amended by inserting the following language as new Subsection G:

"From July 1, 2014 through the end of the term of this Agreement, there will be no maximum accrual amount for holiday time for peace officers."

11. Article 19, Section 2, Subsection A shall be amended by adding the following:

"The City may deny an annual leave request if granting the request would cause personnel to fall below the shift minimum."

12. Article 19, Section 2 entitled "Annual Leave" shall be amended by deleting the table in Subsection D and replacing it with the following table:

Length of Service	Accrued Hours/Year	Maximum Leave Hours
0 -120 Months	120 hours	380 hours
121-240 Months	160 hours	460 hours
241 & Over	200 hours	540 hours

13. Article 19, Section 2 entitled "Annual Leave" shall be further amended to insert the following language as new Subsection G:

"On the Effective Date of this MOU, the City shall make an additional lump sum deposit of one hundred (100) hours of annual leave, to be held in a separate bank. A peace officer may not elect to sell back any of these unused hours. These hours will be used under the terms of this Agreement or lost without compensation at the time of separation. These hours of annual leave shall not count towards the maximum amount of annual leave time that an employee can accrue as specified in Subsection D above."

14. Article 19, Section 2 entitled "Annual Leave" shall be further amended to insert the following language as new Subsection H:

"On July 1, 2014, the City shall make an additional lump sum deposit of one hundred (100) hours of annual leave, to be held in a separate bank to be used in accordance with this Agreement. These hours of annual leave shall not count towards the maximum amount of annual leave time that an employee can accrue as specified in Subsection D above."

15. Article 19, Section 3 entitled "Sick Leave", Subsection E shall be deleted in its entirety and replaced by the following:

"Peace officers with ten (10) years City service whose original hire date is July 1, 1986 or later shall be compensated for all unused accumulation of sick leave when they are permanently separated from City service (including but not limited to

resignation, death, retirement, layoff or discharge). In addition, peace officers with ten (10) years City service whose original hire date is July 1, 2014 or later shall be compensated for one-half (1/2) of their unused accumulation of sick leave with a maximum payout of five hundred (500) hours when they are permanently separated from City service."

16. Article 19, Section 4 entitled "Sick Leave Sell Back Hours" shall be amended by adding the following to the end of the section:

"Notwithstanding the foregoing, from July 1, 2013 through the end of the term of this Agreement, a peace officer who continues to be employed with the City cannot elect to sell back unused sick hours."

17. Article 23 entitled "Grievance and Arbitration Procedure" shall be amended by inserting the following language as new Section 7 entitled "Probationary Employees":

"With the exception of temporary positions, the initial appointment of any candidate to any peace officer position shall be conditioned upon successful completion of the initial probationary period of not less than eighteen (18) months or more than twenty-four (24) months, as provided herein. Failure to confirm the peace officer's regular appointment will result in the peace officer's termination. Probationary employees are defined as a peace officer who has not completed the initial eighteen (18) month probationary period of employment and whose appointment has not been confirmed. The initial eighteen (18) month probationary period of employment may be extended for up to six (6) months upon the recommendation of the Chief of Police, the Director of Human Resources, or his designee, and the POA. In addition, Probationary Employees may be non-confirmed at any time during the initial or extended probationary period and such separation cannot be appealed through the grievance procedure of this Agreement."

18. Article 24, Section 2 entitled "Term of Agreement" shall be deleted in its entirety and replaced with the following:

"The Agreement shall become effective July 1, 2007, and continue in full force and effect through June 30, 2016; however, if the parties hereto do not arrive at a new Agreement before July 1, 2016, the provisions of this Agreement shall remain in effect until the parties execute a new agreement."

19. A new Article 27 entitled "Contract Re-Opener" shall be added and contain the following provision:

"Notwithstanding the foregoing, the provisions of NRS 288.150(w) shall be triggered to require this Agreement to be opened up for negotiation if at least two of the following three conditions occur at the same time:

1) There is a three percent (3%) or more year over year decrease in the Consolidated Tax Revenue that is distributed to the City over a 12 month period.

2) There is a three percent (3%) or more year over year decrease in property tax revenue that is received by the City over a 12 month period.

3) There is a three percent (3%) or more year over year decrease in the Consumer Price Index-Urban (known as the CPI-U) over a 12 month period.

The percentage of decrease will be based on 12 months of data and will be analyzed quarterly. Thus, for example, the first analysis that will be conducted will include (in part) data from the 1st quarter of the City's fiscal year ending 2015 (July 2014 through September 2014.) Such analysis would entail comparing data from October 2013 through September 2014 with data from October 2012 through September 2013. The next analysis that will be conducted will include (in part) data from the 2nd quarter of the City' fiscal year ending 2015 (October 2014 through December 2014.) Such analysis would entail comparing data from January 2014 through December 2014 with data from January 2013 through December 2014. Similar analysis would be conducted each quarter thereafter until the end of the Agreement."

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20. Except for the terms specifically set forth above and the terms of the previous amendments to the CBA that do not conflict with this MOU, the Parties affirm the terms and provisions of the CBA in all other respects.

21. All prior or contemporaneous understandings or agreements between the Parties regarding the settlement of the Litigation (as defined in the Settlement Agreement) and the MOU are merged into this MOU, and this MOU along with the schedule referenced herein expresses the entire agreement between the Parties regarding such matter. This MOU may be modified only in writing, signed by all the Parties, and no term or provision may be waived except by such writing. There are no other agreements or representations, express or implied, either oral or in writing, between the Parties regarding the settlement of the Litigation (as defined in the Settlement Agreement) and the MOU, except as specifically set forth in this Agreement. The Parties

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APRIL 30, 2014

acknowledge and agree that they have been represented by counsel in connection with the preparation, negotiation, and execution of this MOU.

22. This Agreement was drafted through the joint efforts of the Parties through their respective counsel. Accordingly, no rule of construction against the drafting Party shall be implemented; instead, this Agreement shall be interpreted in accordance with the fair meaning of its terms. This Agreement is intended to be enforced according to its written terms exclusively under the laws of the State of Nevada. Venue for any legal action concerning this Agreement shall lie exclusively in the Eighth Judicial District Court, Clark County, Nevada, and the Parties consent to jurisdiction and venue in such Court.

23. The Parties shall take such actions and execute, acknowledge, and deliver such other instruments and documents as may be necessary or appropriate to carry out the full intent and purpose of this Agreement.

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[Signatures on the following page.]

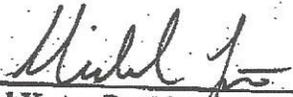
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APRIL 30, 2014

TENTATIVE MOU SIGNATURE PAGE

CITY OF NORTH LAS VEGAS

By: _____
Jeffrey L. Buchanan, Interim City Manager

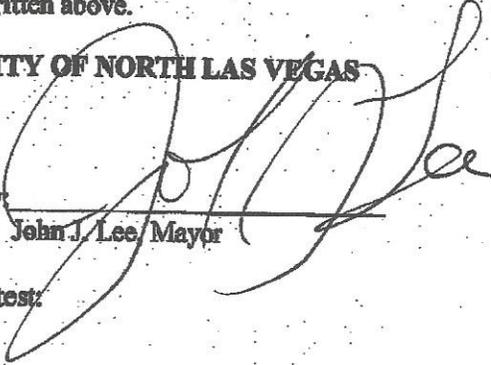
NORTH LAS VEGAS POLICE OFFICERS ASSOCIATION

By: 
Michael Yarter, President

RATIFICATION OF MOU SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties have executed this MOU on the date written above.

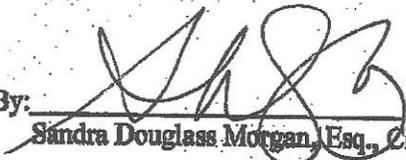
CITY OF NORTH LAS VEGAS

By: 
John J. Lee, Mayor

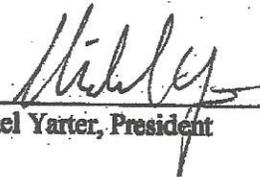
Attest:

By: 
Barbara A. Andolina, City Clerk

Approved as to Form:

By: 
Sandra Douglass Morgan, Esq., City Attorney

NORTH LAS VEGAS POLICE OFFICERS ASSOCIATION

By: 
Michael Yarter, President

Approved as to Form:

By: 
Jeffrey F. Allen, Esq.