

percentage necessary to maintain the classifications at the 75th percentile of the market. Such increases, if any, shall be based upon a market salary survey, to be conducted prior to August 1, 2001.

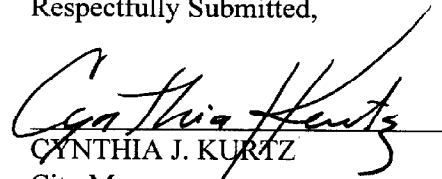
4. Post-Retiree Medical – Effective May 22, 2000, an amount equal to one (1%) percent in base salary shall be afforded to all bargaining unit classifications, to be placed in a post-retirement medical trust fund. Effective April 25, 2001, an amount equal to an additional one (1%) in base salary shall be afforded to all bargaining unit classifications, also to be placed in a post-retirement medical trust fund.
5. Education Pay – Effective January 1, 2001, employees classified as Police Officer or Police Corporal, shall receive additional compensation of \$220 per month for possession of a Bachelor of Arts/Bachelor of Science degree from an accredited college or university. Effective January 1, 2001, employees classified as Police Officer or Police Corporal, shall receive additional compensation of \$175 per month for possession of an Advanced POST certificate. Employees who possess both a BA/BS degree, and an Advanced POST certificate, shall receive the higher compensation of the two, not both.
6. Movie Detail Pay – Effective upon adoption of this MOU by Council, the flat hourly rate for Movie Detail Pay shall not be less than one-and-a-half times the top step hourly rate for Police Corporal, to a maximum of \$50 per hour during the term of this MOU.
7. 3%@50 Retirement – Effective March 1, 2001, the parties shall re-open negotiations on the PERS 3%@50 retirement benefit.

This tentative agreement was submitted to the PPOA membership for a vote and was ratified. The agreement is now before the City Council for review and adoption. This agreement is consistent with parameters approved by Council.

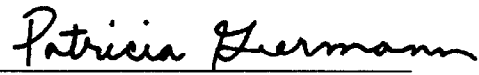
FISCAL IMPACT:

The annual cost of a 5.4% salary increase for 178 employees is \$667,590; the annual cost of a 3.0% salary increase is \$390,911; and the annual cost of a 2.0% salary increase (estimated to maintain unit at the 75th percentile) is \$268,426. Based on the timing of these increases, the impact to fiscal year 2001 is \$881,354, which includes retroactivity pay. The estimated cost for fiscal year 2002 is \$462,973 and will be included in the recommended operating budget. The annual cost for the post-retiree health is \$123,628 for year one and \$131,540 in year two. Education pay has an annual cost of \$52,800. Sufficient funds have been budgeted in the General Fund Personnel Reserve.

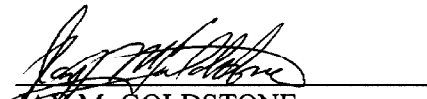
Respectfully Submitted,


CYNTHIA J. KURTZ
City Manager

Approved:


PATRICIA GIERMANN
Interim Director of Human Resources

Concurrence:


JAY M. GOLDSTONE
Director of Finance