

**MEMORANDUM OF UNDERSTANDING WITH REGARD TO SICK AND
VACATION PAY-OUT ACCRUALS FOR SWORN CERTIFIED LAW
ENFORCEMENT PERSONNEL INTENDING TO RETIRE FROM
EMPLOYMENT WITH THE CITY OF DELRAY BEACH AND WHO ARE
WITHIN A PERC-CERTIFIED BARGAINING UNIT REPRESENTED BY THE
PALM BEACH COUNTY POLICE BENEVOLENT ASSOCIATION, INC.**

THE CITY OF DELRAY BEACH, FLORIDA (hereinafter referred to as "the City") and the PALM BEACH COUNTY POLICE BENEVOLENT ASSOCIATION, INC. (hereinafter, "the PBA") agree as follows:

1. That PBA bargaining unit members intending to retire shall continue to be eligible to receive their accrued sick and accrued vacation hours not utilized during their employment;
2. That the City shall provide the following two (2) options for bargaining unit members intending to retire:
 - a. The City shall provide a lump sum cash pay-out at termination (retirement) of accrued balance not to exceed 1408 hours (1120 sick leave, 288 vacation) as currently exists;
 - b. The City shall enable employees who properly notify the City with the intent to retire, at least three (3) years prior to Retirement date, the ability to have the above noted accruals paid in cash payments of not more than one-third per year of total amount authorized at date of designation of retirement. The bargaining unit member will have the following option of payment:
 - i. The one-third payments, not to exceed one-third of accrued balance or 1408 hours (1120 sick leave, 288 vacation), whichever is greater, in cash each year; or,
 - ii. The one-third payments, not to exceed one-third of accrued balance or 1408 hours (1120 sick leave, 288 vacation), whichever is greater, to the City's ICMA 457 Deferred Compensation Plan each year.

The CITY and the PBA agree further:

3. That this Memorandum of Understanding shall be effective from its execution by the Parties; and,

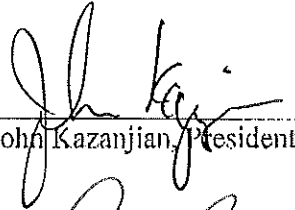
4. That the Parties have full legal authority to enter into this Memorandum of Understanding.

FOR THE CITY

FOR THE PBA



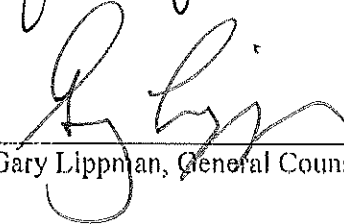
David T. Harden, City Manager



John Kazanjian, President



Susan Ruby, City Attorney



Gary Lippman, General Counsel