EXTENSION AGREEMENT

This Extension Agreement ("Extension Agreement") is entered into as of the 23rd day of March, 2011, by and between the City of Elgin (hereinafter referred to as the "City") and the Policemen's Benevolent and Protection Association, Unit #54 (hereinafter referred to as the "Association") (collectively, hereinafter referred to as the "Parties").

WHEREAS, the City and the Association are parties to a Collective Bargaining Agreement effective January 1, 2007, through December 31, 2010 (such Collective Bargaining Agreement, as previously amended from time to time, is hereinafter referred to as the "Collective Bargaining Agreement"); and

WHEREAS, the Parties have agreed to extend the termination date of the Collective Bargaining Agreement for one (1) year, from December 31, 2010, to December 31, 2011.

NOW, THEREFORE, the Parties hereto agree as follows:

1. Article 33 of the Collective Bargaining Agreement providing for the term of the Collective Bargaining Agreement is hereby amended by further amending the amended termination date of December 31, 2010, to December 31, 2011. For purposes of clarification, it is agreed and understood that existing wage rates and ranges shall remain unchanged for 2011, provided however, those employees otherwise eligible to receive in-range step increases to which employees may be eligible for on their anniversary dates during 2011 shall receive such step increases.

2. Article 10, Section b of the Collective Bargaining Agreement is amended in its entirety to read as follows:

   "Section b. Conversion. In recognition of non-use of sick leave, employees may convert accumulated sick leave for additional vacation leave or for severance pay. Such conversion for additional vacation leave shall be at the rate of three (3) days of sick leave for one (1) vacation day.

   1. Vacation leave conversion shall require a minimum accumulation of unused sick leave of sixty (60) accrued sick days which is the equivalent of four hundred eighty (480) hours of sick leave. Such conversion is limited to a maximum of five (5) days of vacation leave in any one calendar year.

   2. Employees shall be eligible for a severance sick leave conversion payment upon separation from employment. Such severance payment shall be equivalent to twenty-five per cent (25%) of the value of the employee's accumulated and unused sick leave as of the effective date of the employee's separation from employment, and shall be paid to the employee in a lump sum, minus any applicable deductions. For purposes of this Section, the

employee's hourly wage shall be equivalent to the employee's hourly wage rate inclusive of annual longevity pay.

3. Article 15 of the Collective Bargaining Agreement is hereby amended in its entirety to read as follows:

"Article 15. Board of Fire and Police Commissioners

It is understood that to the extent such matters as selection and promotion are subject to the jurisdiction of the Board of Fire and Police Commission, such matters are not subject to this Agreement. Notwithstanding the foregoing, it is agreed that notwithstanding the Board of Fire and Police Commission current rule which requires a bachelor's degree as a condition for promotion, there shall be no educational requirement which bars the promotion of any employee covered by this Agreement. It is further understood that nothing in this Agreement shall limit the right of the Chief of Police to suspend a member of the Police Department or employee covered by this Agreement in accordance with applicable law."

4. The City shall not lay off any existing Local Bargaining Unit #54 employees covered by this Agreement through and including December 31, 2011. The Parties agree that at the conclusion of this Extension Agreement on December 31, 2011, this provision shall expire and terminate and shall be null and void as if it never existed, and of no further force and effect, and shall be non-precedential for any and all purposes. The Parties agree that at the conclusion of this Extension Agreement on December 31, 2011, the Parties shall return to the status quo ante which existed immediately prior to the entry of this Extension Agreement with respect to layoffs, it being agreed and understood that the Parties shall have any and all rights they had which existed immediately prior to the entry into this Extension Agreement, notwithstanding any of the provisions of this Extension Agreement, and as if this Extension Agreement never occurred.

5. Each of the Parties represents that it has reviewed the terms of this Extension Agreement, and by executing this Extension Agreement, agrees to its terms. Each of the Parties whose signature appears below represents that he/she has the authority to enter into this Extension Agreement.

6. Paragraph 4 of this Extension Agreement is entered into on a non-precedential basis and cannot be relied upon by the City or the Association after December 31, 2011.

IN WITNESS WHEREOF, the Parties hereto have entered into and executed this Extension Agreement as of the date first written above.

FOR THE CITY

Attest:

By _____
City Manager

_____
City Clerk

FOR THE ASSOCIATION

Attest:

By _____
President

_____
Secretary

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