

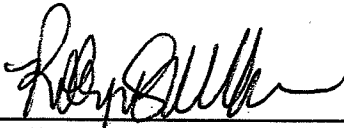
MEMORANDUM OF UNDERSTANDING

Due to the current fiscal problems plaguing the nation and State of Michigan which have in turn affected the local budget, The City of Ann Arbor and the Deputy Chief's Unit of Teamsters Local 214 agree to amend Article VIII (Wages), Section 1, to eliminate an automatic pay increase July 1, 2009, and to designate any pay for performance pay awarded for 2008/2009 for use for individual career development. Effective July 1, 2009, Article VIII, Section 1 will be amended as follows:

Section 1: Effective July 1, 2007 there shall be a 2% lump sum payment. Effective July 1, 2008 there shall be a wage adjustment of 2% with eligibility for 2% pay-for-performance lump sum upon completion of objectives for 2007/2008. Effective July 1, 2009 there shall be a 0% wage adjustment and eligibility for 2% pay-for-performance lump upon successful completion of objectives for 2008/09. If pay-for-performance is awarded for 2008/2009, it will be held in an account by the City to be used for individual career development of the employee. Expenditures of these funds are subject to the approval of the employer and must be expended during the fiscal year unless extended by approval of the employer. Effective July 1, 2010 there shall be a wage and health care reopener. The City and the Union do jointly agree that the spread of twelve percent (12%) between the highest paid lieutenant's salary and the entry level deputy chief shall be maintained for all new hires and/or individuals promoted to a Deputy Police Chief position on or after September 10, 2002.

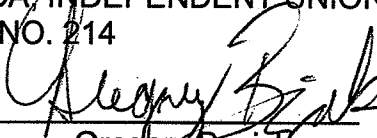
Both parties agree that this MOU will be given consideration when the collective bargaining agreement is reopened July 1, 2010 for wage and healthcare bargaining.

EMPLOYER


By 
Robyn Wilkerson
HR Director

UNION

INTERNATIONAL BROTHERHOOD
TEAMSTERS, CHAUFFEURS,
WAREHOUSEMEN AND HELPERS OF
AMERICA, INDEPENDENT UNION,
LOCAL NO. 214

By 
Gregory Bazick

Its _____ President

By 
John Seto

Its _____ Steward