

## LETTER AGREEMENT

### LETTER AGREEMENT BETWEEN CITY OF CHICO AND CONFIDENTIAL EMPLOYEES REGARDING CONSTRUCTIVE RECEIPTS

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Pursuant to Subarticle 1.4, entitled “Variation From Provisions Upon Mutual Agreement” of the Memorandum of Understanding between the City of Chico and the Confidential Unit Regarding Pay, Hours and Other Terms and Conditions of Employment for the Period of July 1, 2019 through June 30, 2022 (2019 CNF PBR),” the City of Chico (City) and Confidential Employees (CNF) enter into this Letter Agreement to address the doctrine of Constructive Receipt.

Therefore, the City and CNF agree to modify section 2.3 as follows:

#### 2.3 CTO IN LIEU OF OVERTIME PAYMENT

Eligible Employees working overtime may accrue CTO in lieu of overtime payment, and may utilize such CTO, in accordance with the following conditions and provisions:

**A. Accrual.** CTO shall be accrued at the rate of one and one-half hours (1½) for each hour of overtime worked. The maximum amount of CTO that may be accrued at any one time shall be limited to eighty (80) hours.

**B. Utilization.** CTO shall be utilized on a straight time basis. Approval for use of CTO shall be given by Employee’s Department Head or designee, subject to the same restrictions and conditions which exist on the scheduling of vacation.

**C. Payment for Unused CTO.** ~~By December 15<sup>th</sup> of each year, employees may request payment for part or all of unused CTO accrued in the following year. When requested, such payment shall be made on the Employee’s first paycheck in December of the following Calendar year. In the first full pay period of the calendar year, Employees may request payment for part or all of their unused CTO. When requested, such payment shall be made prior to the end of January.~~ Payment for such hours will be made at the regular rate of pay, as defined by the FLSA, which is effective at the time of payout.

**D. City Manager Authority.** Notwithstanding anything above to the contrary, City Manager shall have the authority to determine and order that CTO be paid or taken as time off.

1. Any amendments or modifications to this Letter Agreement shall be in writing, signed and dated by both parties.
2. All other terms, conditions, provisions and requirements of the MOU shall remain in full force and effect.


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Signed and dated as follows:

For Confidential Employees:

 5/5/21<sup>21</sup>  
Dani Rogers (Date)

For the City of Chico:

 5/5/2021  
Mark Orme (Date)  
City Manager

Approved as to Form:

  
Vincent C. Ewing, City Attorney\*

\*Pursuant to The Charter of the City of  
Chico, Section 906 (D)