MEMORANDUM OF UNDERSTANDING, between the
CITY OF SPARKS, NEVADA and the
SPARKS POLICE SUPERVISORY PROTECTIVE ASSOCIATION, LIEUTENANTS

WHEREAS, the City of Sparks, Nevada, a municipal corporation (City), and the Sparks Police Supervisory Protective Association, Lieutenants (SPSPA-L) have previously entered into a Collective Bargaining Agreement (CBA) on July 1, 2025, that expires on June 30, 2027;

and WHEREAS, recent changes negotiated and agreed to in the 2025–2027 CBA between the City and SPSPA-L include changes to retiree health insurance stipend payment date;

and WHEREAS, the parties' negotiating teams have since met and have agreed to the following terms amending the 2025–2027 Collective Bargaining Agreement;

NOW, THEREFORE, the following revisions to the SPSPA-L 2025–2027 CBA will be effective upon ratification of both SPSPA-L and the Sparks City Council:

1. Section 3, Article B, Paragraph 5 shall be revised as follows:
   a. The City will pay each qualifying retiree with at least twenty (20) years of City service a~~n annual~~ yearly gross stipend equal to twelve (12) times seventy percent (70.0%) of the monthly group health insurance premium rate (a combined amount of the monthly rate for medical, dental, vision, and life insurance) in effect on July 1 of each fiscal year for "Retiree Plus Spouse" until the retiree reaches the eligibility age for Medicare benefits. The ~~annual~~ stipend shall be calculated on a fiscal year basis (July through June) prorated by month in the fiscal year that the employee retires, beginning with the first full month after the employee's retirement date. When the retired employee reaches the eligibility age for Medicare benefits, the City will pay the qualifying retiree a~~n annual~~yearly gross stipend equal to twelve (12) times forty percent (40.0%) of the monthly group health insurance premium rate (a combined amount of the monthly rate for medical, dental, vision, and life insurance) in effect on July 1 of each year for "Retiree Only with Medicare." The ~~annual~~ stipend shall be calculated on a fiscal year basis (July through June) prorated by month in the fiscal year that the retiree reaches the age of Medicare eligibility.

   b. The City will pay each qualifying retiree with at least fifteen (15) years of City service a~~n annual~~ yearly gross stipend equal to twelve (12) times sixty percent (60.0%) of the monthly group health insurance premium rate (a combined amount of the monthly rate for medical, dental, vision, and life insurance) in effect on July 1 of each year for "Retiree Only" for retirees who are not yet eligible for Medicare. The ~~annual~~ stipend shall be calculated on a fiscal year basis (July through June) prorated by month in the fiscal year that the employee retires, beginning with the first full month after the employee's retirement date. When the retired employee reaches the eligibility age for Medicare benefits, the stipend shall cease, provided that the ~~annual~~ stipend shall be prorated by month in the fiscal year that the retiree reaches the age of Medicare eligibility.

c. For a qualifying employee with a minimum of ten (10) years of service with the Sparks Police Department who is required to medically retire due to job-related injury on or after the first full pay period after July 1st, 2026, the City will pay the employee a~~n annual~~ yearly gross stipend equal to twelve (12) times twenty percent (20%) of the monthly group health insurance premium rate (acombined amount of the monthly rate for medical, dental, vision, and life insurance) in effect on July 1 of each year for "Retiree Only" for retirees who are not yet eligible for Medicare. The ~~annual~~ stipend shall be calculated on a fiscal year basis (July through June) prorated by month in the year that the employee retires, beginning with the first full month after the employee's retirement date. When the retired employee reaches the eligibility age for Medicare benefits, the stipend shall cease, provided that the ~~annual~~ stipend shall be prorated by month in the fiscal year that the retiree reaches the age of Medicare eligibility.

d. This ~~annual~~ stipend is for the purpose of the retiree paying premiums for medical, dental, vision, life, and/or any other insurance plan that the retiree chooses. The retiree may use the stipend to pay for the City's group health insurance plan premiums but is not required to do so. The ~~annual~~ stipend is not intended as wages for hours worked prior to the date of retirement, is not intended to be reported to Nevada PERS as past wages, and is contingent on the retiree's bonafide separation from City employment and eligibility for retirement benefits under Nevada PERS.

e. Effective July 1, 20256, the ~~annual~~ yearly stipend shall be calculated on a fiscal year basis (July through June) payable on or before August 31 of each year, provided that if an employee retires after August 31 of any given calendar year, the prorated stipend shall be payable within ninety (90) days of the retirement date. If after the ~~annual~~ stipend is paid to the employee the monthly group health insurance premium rate increases, the City shall pay the difference to the employee to ensure that the annual stipend equals the percentage the employee is entitled to as described in subsection (a) above.

2. In order to shift from the previously calculated calendar year stipend to a fiscal year stipend, the following changes will apply:

   a. Stipends that were paid in March 2026 and April 2026 for those who retired prior to January 1, 2026, were for the calendar year 2026. A one time catch-up payment will be made in August, 2026 for the time period of January 2027 through June 2027. Regular payments will resume in August each year for the fiscal year (July through June).

b. A prorated stipend for employees who retired between January 1, 2026, and May 30, 2026, will be calculated on a calendar year basis from January 2026 through December 2026. A one time catch-up payment will be made in August 2026 for the time period of January 2027 through June 2027. Regular payments will resume in August each year for the fiscal year (July through June).

c. A prorated stipend for employees who retired after June 1, 2026, will be calculated on a fiscal year basis July through June. Regular payments will be made in August each year for the fiscal year (July through June).

IN WITNESS THEREOF, The City of Sparks and Sparks Police Supervisory Protective Association – Lieutenants, have caused to be duly executed by their representatives on the 22nd day of June, 2026.

Sparks Police Supervisory Protective Association – Lieutenants

Ben Russel

Ben Russell, President

City of Sparks

Ed Lawson

Ed Lawson, Mayor

Attest:

Lisa Hunderman, City Clerk

Approved as to Form:

Wes Duncan

Wes Duncan, City Attorney