

**LETTER OF AGREEMENT
(Verena Fabian Grievance Settlement)**

The parties to this Settlement Agreement are the City of Portland, by and through its Bureau of Human Resources (City), and the American Federation of State, County, and Municipal Employees, Local 189-1 (AFSCME), and Ms. Verena Fabian.

Recitals

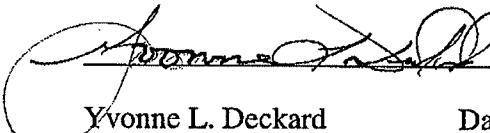
1. The City and AFSCME are parties to a Collective Bargaining Agreement (CBA), the term of which is July 1, 2010 to June 30, 2013.
2. Article 11.3 of the parties' CBA provides, "when an employee is assigned to a higher classification, the employee's pay rate shall be the step within the higher classification range which represents at least a three percent (3%) increase over the employee's regular rate in his or her former classification...."
3. Ms. Fabian was employed as a Lab Analyst in the Water Bureau's Water Lab. Subsequently, she was assigned to substantially perform the duties of a higher classification, Microbiologist, but was not remunerated as required by the contract.
4. Ms. Fabian filed a grievance on January 15, 2009, which asserted that from November 3, 2003 to June 23, 2008 she was performing the duties of a Microbiologist and was not paid in accordance with Article 11.3 of the contract. The City then participated in grievance meetings with Ms. Fabian or her union representative. As an outcome to those meetings, Water Bureau Director, David Shaff acknowledged that Ms. Fabian had been working out of classification for a significant period of time. He granted Ms. Fabian compensation for work out of class as a Microbiologist from October 8, 2007 through August 18, 2008.
5. On August 18, 2008, the classification of Lab Analyst was reclassified and Ms. Fabian became a Laboratory Specialist. She was put on the second year pay step. However, because of the length of time that she worked out of classification as a Microbiologist, the parties now agree that Ms. Fabian should have been placed at the top step (third year) of the Laboratory Specialist classification.
6. Ms. Fabian was placed at the top step of the Lab Specialist classification on January 12, 2011. Water Bureau Director, David Shaff, has agreed to retroactively pay Ms. Fabian at the top step back to the date of the reclassification, August 18, 2008.
7. This Settlement Agreement will resolve all outstanding matters related to and arising from Ms. Fabian's work as the Microbiologist during the above-stated date range, as well as addressing her placement on the top step of the new Laboratory Specialist classification.

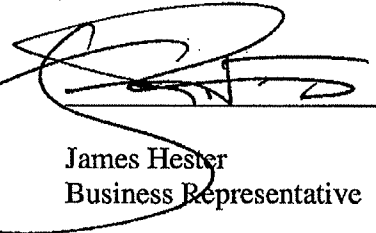
Agreement

1. The Water Bureau shall remit payment of \$1,093.47 to Ms. Fabian for work performed as the Microbiologist between the dates of October 8, 2007 through August 18, 2008.
2. The Water Bureau shall also remit payment of \$21,622.59 to Ms. Fabian for movement to the top of the pay scale of the Lab Specialist classification retroactive to her placement in that classification on August 18, 2008.
3. AFSCME shall dismiss its grievance with prejudice.
4. Ms. Fabian voluntarily releases and forever discharges the City from all claims arising from the facts underlying this dispute and accepts the above-consideration as a complete and final resolution and settlement of any and all liabilities and claims, direct or indirect, arising out of the facts of the underlying grievance.
5. The parties agree that the terms of this Settlement Agreement shall not establish any precedent whatsoever.
6. This Settlement Agreement shall not become effective or enforceable until the Portland City Council has approved the Agreement.

For the City

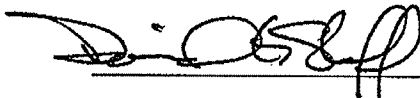
For AFSCME

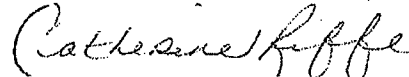

Yvonne L. Deckard Date
Director, Bureau of Human Resources 3/5/11


James Hester Date
Business Representative 2/22/11


For the Bureau

Approved as to form


David Shaff Date
Director, Water Bureau 02.22.2011


Catherine Riffe Date
Chief Deputy City Attorney 2/4/11

Employee


Verena Fabian Date
2-22-11