

**Following are the provisions of the original Structural Agreement that relate to the initial transition phase and are deleted from the new draft agreement. The original agreement was with an entity named 201 State:**

The Structural Agreement between the City and 201 State is subject to the following terms and conditions:

3. Transition Date. The transition date for the transfer of operations to 201 State will be January 1, 2012. The period from the Commencement Date to January 1, 2012 is referred to herein as the "Transition Phase."

12. Employee Matters. 201 State agrees to the following with respect to the treatment of City employees currently working at Overture:

- A. Staffing and Related Contracts: Except as provided herein, 201 State shall recruit, train and employ its own staff. The existing City Collective Bargaining Agreements ("CBA") for any employees hired by 201 State shall not be assumed or transferred to 201 State. 201 State will negotiate the terms and provisions for any CBA directly with the related union or unions.
- B. There shall be a 12-month Transition Phase, from January 1, 2011 to January 1, 2012, unless completed earlier by mutual agreement, during which the current operations by MCAD with City employees continues unchanged, as does the City's subsidy, with current agreements remaining in effect. The Transition Phase may be modified by mutual agreement of the parties, and with the written consent of MCAD.
- C. Effective January 1, 2012, 201 State is the new operator. The existing Operation and Cooperation Agreement between the City and MCAD will terminate as of that date. As of that date, no City employees will work for 201 State or at Overture.
- D. 201 State reserves the right to establish initial terms and conditions of employment, provided, however, and without otherwise limiting this right, any continuing City AFSCME and/or non-represented employee that is offered and that accepts employment with 201 State will be hired at not less than that employee's wage rate from the City in effect on January 1, 2012. City employees who retire from the City and then accept employment from 201 State shall not be considered to be a "continuing City AFSCME and/or non-represented employee" for purposes of this Agreement.

- E. Employment Offers: 201 will make an offer of employment, to be effective January 1, 2012, to all permanent (full and part-time) employees (represented and non-represented), who are at or below the pay grade of 18-10 of the City working at the Overture Center as of September 1, 2011. Such offers of employment are subject to each such employee maintaining his or her employment status with the City until the date of transition. 201State will make every reasonable effort to act similarly with respect to employees who are not permanent (hourly) employees, subject to staffing needs.
- F. During the Transition Phase, 201 State will prepare job descriptions, number of persons to be hired at various positions, and establish initial terms and conditions of employment (including health and retirement benefits) (the "Employment Terms"), for positions with 201 State at Overture. 201 State shall complete these Employment Terms and communicate them to City employees working at Overture no later than March 1, 2011. No later than July 1, 2011, 201State shall make job offers to permanent City employees at Overture for employment with 201 State. City employees shall have until September 1, 2011 to accept such offer of employment by 201State. In the event any such offer is not accepted by such date, 201State shall be free to hire a different person for the position offered to the City employee who did not accept the offer. Those City employees who are offered jobs with 201 State will move to those jobs effective January 1, 2012, subject to the terms and conditions of such offer. The benefit package to be offered by 201State to continuing City employees shall include substantially similar categories of benefits now applicable to the City employees.
- G. Any represented City employee offered a position with 201 State may: 1) accept the position; or, 2) subject to any bumping or contractual rights as established by the City, determine to remain as a City employee by bumping into a City position not at Overture. Subject to negotiations between the City and the represented employees, represented employees shall have until September 1, 2011, to make this election.
- H. The City will work with non-represented City employees who wish to remain City employees to determine if suitable positions are available at the City for application by the employee(s). Non-represented employees offered a position with 201State shall have until September 1, 2011, to accept such position.
- I. Consistent with applicable law, 201 State agrees to recognize IATSE local 251 (or such other union as the employees may select) as the bargaining unit for all Stagehands, and may engage in bargaining at any time the law may allow. 201 State will seek to complete bargaining by April 1, 2011.
- J. Consistent with applicable law, 201State agrees to recognize AFSCME (or such other union as the employees may select) as the bargaining unit for all positions currently represented by AFSCME Local 60, and may engage in bargaining at any time the law may allow. 201State will seek to complete

bargaining by April 1, 2011.

13. Cooperation Regarding Resolution Of Other Issues. During the Transition Phase, the City and 201 State will work together to resolve issues involving the transition of City employees including sick leave, compensatory time, and other issues as they may present themselves. The City and 201 State agree to share these liabilities as follows:

- A. Unfunded Prior Pension Liability: The City has borrowed funds to fund an unfunded liability to the Wisconsin Retirement System for all City employees. MCAD's share of this liability is approximately \$385,000. 201 State agrees to become liable for fifty percent (50%) of this liability (approximately \$192,500) upon entry of this contract. 201 State's obligation to pay this liability will be spread over a ten (10) year period in equal annual installments, with the first installment due no later than December 30, 2012.
- B. Accrued Vacation and Comp Time: These liabilities are approximately \$150,000. City employees are entitled to a payout of these amounts upon leaving City employment. All such accrued comp time will be paid out in the normal manner and said payout will be the responsibility of the City. In the case of vacation payouts, for continuing City employees hired by 201 State, 201 State will be responsible for fifty percent (50%) of the payout, up to a maximum of \$57,500. This liability, once finally liquidated, shall be payable over the same ten (10) year period as the unfunded pension liability payment referenced above.

14. No Change to Employee Rights. Nothing in this Agreement is intended to nor does it change any employee rights under existing agreements with the City or under City ordinances.

15. Personal Property. All personal property necessary for or associated with the operation of Overture, including all personal property of MCAD held at January 1, 2012, will be transferred to 201 State. This includes existing operating systems, IT, temporary fixtures, furniture and equipment. If 201 State determines that it will dispose of personal property of material monetary value without replacement, 201 State shall inform the City of such disposition.

16. Accounting. The parties agree that, upon 201 State undertaking operation of Overture on January 1, 2012, pursuant to this Agreement, a final accounting and settlement of liabilities between the City and MCAD shall be made. At that time, 201 State and the City agree to negotiate whether and to what extent 201 State will be responsible to the City for such liabilities, upon terms to be agreed upon.