

RESOLUTION NO. 2014-57

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HUNTINGTON BEACH
AMENDING THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY AND THE
MANAGEMENT EMPLOYEES' ORGANIZATION (MEO), BY ADOPTING THE SIDE
LETTER OF AGREEMENT**

WHEREAS, on March 17, 2014, the City Council of the City of Huntington Beach adopted Resolution No. 2014-13 for the purpose of adopting the Memorandum of Understanding (MOU) between the City and the Management Employees' Organization (MEO).

Subsequent to the adoption of the MOU, the City of Huntington Beach and MEO agreed to changes, corrections, and clarifications to the MOU that are reflected in a Side Letter of Agreement between the City of Huntington Beach and MEO ("Side Letter Agreement") attached hereto as **Exhibit A** and incorporated herein by this reference.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the City Council of the City of Huntington Beach as follows:

Section 1. The Side Letter Agreement attached hereto as **Exhibit A** is approved and adopted.

Section 2. The Side Letter Agreement amends the MOU between the City of Huntington Beach and MEO.

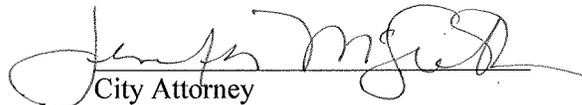
PASSED AND ADOPTED by the City Council of the City of Huntington Beach at a regular meeting thereof held on the 4th day of August, 2014.


Mayor

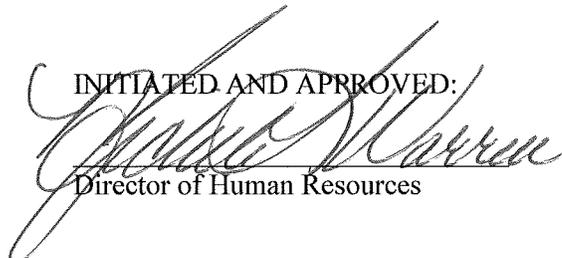
REVIEWED AND APPROVED:


City Manager

APPROVED AS TO FORM:


City Attorney

INITIATED AND APPROVED:


Director of Human Resources

City of Huntington Beach
SIDE LETTER AGREEMENT

The Management Employees Organization ("MEO") and the City of Huntington Beach ("City") hereby agree to this side letter to the December 21, 2012 – December 31, 2014, Memorandum of Understanding ("MOU"). The City and MEO agree that the following provisions of the MOU are amended to read as follows:

ARTICLE I - TERM OF MOU

The Term of the MOU is extended through November 1, 2015.

ARTICLE VI – SALARY SCHEDULE

1. Wages

- b. Effective the beginning of the pay period that includes October 1, 2014, all bargaining unit members will receive a **2.0%** wage increase.

ARTICLE X – HEALTH AND OTHER INSURANCE BENEFITS

3. Future Premiums and City Contributions

Effective with the medical plan benefit month of October 2014 health insurance deduction, the City's contribution to employee medical premiums shall increase \$100 per month, per medical plan, per medical tier. The City's contribution for dental and vision plans shall not increase. In the event that these caps are exceeded by increased future premiums, the employee shall pay any increased amount above the City's contribution caps.

As a result of these formulas, it is understood that the employee contribution shall not decrease during the term of this Agreement nor is there any expectation of compensation or benefit in the event the City's contribution cap is not reached.

ARTICLE XIV – MISCELLANEOUS

B. Vehicle Policy

Employees in the following classifications are eligible to receive Auto Allowance:

- Assistant to the City Manager
- Assistant Fire Marshal
- Beach Operations Supervisor
- Building Manager
- City Engineer
- Community Services Manager*
- Construction Manager
- Deputy City Treasurer+
- Deputy Director of Economic Development
- Deputy Director of Public Works
- Detention Administrator
- Facilities, Development & Concessions Manager
- Facilities Maintenance Supervisor
- Fleet Operations Supervisor

- General Services Manager
- Inspection Supervisor**
- Inspection Manager
- Landscape Architect
- Landscape Maintenance Supervisor
- Maintenance Operations Manager
- Marine Safety Division Chief
- Mechanical Maintenance Supervisor
- Parking/Camping Facility Supervisor
- Police Administrative Services Manager
- Police Communications Manager
- Police Records Administrator
- Principal Electrical Inspector
- Principal Plumbing Mechanical Inspector
- Public Safety Systems Manager
- Street Maintenance Supervisor
- Transportation Manager
- Tree Maintenance Supervisor
- Utilities Manager
- Wastewater Supervisor
- Water Distribution Supervisor
- Water Production Supervisor

*title change approved by City Council 03/17/14
+grandfathered from at-will status
**omitted in error from 12/21/12-12/31/14 MOU

EXHIBIT B – RETIREE SUBSIDY MEDICAL PLAN

Employees hired on or after October 1, 2014, shall not be eligible for this benefit.

An employee who has retired from the City shall be entitled to participate in the City-sponsored medical insurance plans and the City shall contribute toward monthly premiums for coverage in an amount as specified in accordance with this Plan, provided:

- A. At the time of retirement the employee has a minimum of ten (10) years of continuous full-time City service or is granted an industrial disability retirement; and
- B. At the time of retirement, the employee is employed by the City; and
- C. Following official separation from the City, the employee is granted a retirement allowance by the California Public Employees' Retirement System.

The City's obligation to pay the monthly premium as indicated shall be modified downward or cease during the lifetime of the retiree upon the occurrence of any one of the following:

- 1. On the first of the month in which a retiree or dependent reaches age 65 or on the date the retiree or dependent can first apply and become eligible, automatically or voluntarily, for medical coverage under Medicare (whether or not such application is made) the City's obligation to pay monthly premiums may be adjusted downward or eliminated. Benefit coverage at age 65 under the City's medical plans shall be governed by applicable plan document.
- 2. In the event of the death of any employee, whether retired or not, the amount of the retiree medical insurance subsidy benefit which the deceased employee was

receiving at the time of his/her death would be eligible to receive if he/she were retired at the time of death, shall be paid on behalf of the spouse or family for a period not to exceed twelve (12) months.

SCHEDULE OF BENEFITS

- A. Minimum Eligibility for Benefits - With the exception of an industrial disability retirement, eligibility for benefits begin after an employee has completed ten (10) years of continuous full time service with the City of Huntington Beach. Said service must be continuous unless prior service is reinstated at the time of his/her rehire in accordance with the City's Personnel Rules.
- B. Disability Retirees - Industrial disability retirees with less than ten (10) years of service shall receive a maximum monthly payment toward the premium for health insurance of \$121 (one hundred twenty-one dollars). Payments shall be in accordance with the stipulations and conditions, which exist for all retirees. Payment shall not exceed dollar amount, which is equal to the full cost of premium for employee only.
- C. Marital Status – Married unit retirees eligible for benefits under the Retiree Medical Subsidy Plan may both receive the benefit earned pursuant to Section D – Maximum Monthly Subsidy Payments, whether enrolled individually as the plan enrollee or whether enrolled as a dependent on any City-sponsored medical plan.
 - a. In the case where a retired unit member is married to a City employee (active or retired) outside of this bargaining unit, this provision shall remain applicable.
 - b. This provision shall apply to State of California registered domestic partners the same as married spouses.
 - c. This provision shall become effective January 1, 2015, following MEO open enrollment for 2015 Medical plans.
- D. Maximum Monthly Subsidy Payments - Payment amounts may be reduced each month as dependent eligibility ceases due to death, divorce or loss of dependent child status. However, the amount shall not be reduced if such reduction would cause insufficient funds needed to pay the full premium for the employee and the remaining dependents. In the event no reduction occurs and the remaining benefit premium is not sufficient to pay the premium amount for the employee and the eligible dependents, said needed excess premium amount shall be paid by the employee.

All retirees, including those retired as a result of disability whose number of continuous, full time years of City service prior to retirement City exceeds ten (10), shall be entitled to maximum monthly payment of premiums by the for each year of completed City service as follows:

Maximum Monthly Payment
for Retirements After:

| Years of Service | Subsidy |
|------------------|---------|
| 10 | \$ 121 |
| 11 | 136 |
| 12 | 151 |
| 13 | 166 |
| 14 | 181 |
| 15 | 196 |
| 16 | 211 |
| 17 | 226 |
| 18 | 241 |
| 19 | 256 |
| 20 | 271 |
| 21 | 286 |
| 22 | 300 |
| 23 | 315 |
| 24 | 330 |
| 25 | 344 |

RETIREE SUBSIDY MEDICAL PLAN / MISCELLANEOUS PROVISIONS

A. Eligibility:

1. The effective start-up date of the Retiree Subsidy Medical Plan for the various employee groups shall be the first of the month following retirement date.
2. A retiree may change plans, add dependents, etc., during annual open enrollment. The Human Resources Department shall notify covered retirees of this opportunity each year.
3. Years of service computed for the Retiree Subsidy Medical Plan are actual years of completed service with the City of Huntington Beach.

B. Benefits:

1. Retiree Subsidy Medical Plan includes any City-sponsored medical plan offered to active employees and/or retirees of this bargaining unit.
2. City Plans are the primary payer for active employees age 65 and over, with Medicare the secondary payer. Retirees age 65 and over have no City Plan options and are eligible only for Medicare.
3. Premium payments are to be received at least one month in advance of the coverage period.

C. Subsidies:

1. The subsidy payments will pay for:
 - a. Retiree Subsidy Medical Plan.
 - b. HMO.
 - c. Part A of Medicare for those retirees not eligible for paid Part A.
2. Subsidy payments will not pay for:
 - a. Part B Medicare.
 - b. Any other employee benefit plan.
 - c. Any other commercially available benefit plan.
 - d. Medicare supplements

Side-Letter Implementation

The parties agree that the execution of this side-letter agreement may not be challenged by the Association or any employee it is recognized to represent through the City's grievance procedure or in any other forum unless the challenge is based upon a factual allegation that the Agreement was the product of fraud, intentional misrepresentation or unlawful coercion on the part of City representatives.

IN WITNESS WHEREOF, the parties have caused this SIDE LETTER AGREEMENT to be executed by and through their authorized officers on August 4, 2014.

**Huntington Beach
Management Employees' Organization**

City of Huntington Beach

Tom Graham

Tom Graham
President

Dated: 7.28.14

Fred A. Wilson

Fred A. Wilson
City Manager

Dated: _____

Tom Graham

For Scott Smith
Vice President

Dated: 7.28.14

Michele Warren

Michele Warren
Director of Human Resources

Dated: 7/24/14

Aaron Peardon

Aaron Peardon
OCEA Representative

Dated: 8/6/14

Ken Domer

Ken Domer
Assistant City Manager

Dated: 8-6-14

APPROVED AS TO FORM:

Jennifer M. McGrath

Jennifer M. McGrath
City Attorney

Dated: 7.24.14

STATE OF CALIFORNIA
COUNTY OF ORANGE) ss:
CITY OF HUNTINGTON BEACH)

I, JOAN L. FLYNN the duly elected, qualified City Clerk of the City of Huntington Beach, and ex-officio Clerk of the City Council of said City, do hereby certify that the whole number of members of the City Council of the City of Huntington Beach is seven; that the foregoing resolution was passed and adopted by the affirmative vote of at least a majority of all the members of said City Council at a **Regular** meeting thereof held on **August 4, 2014** by the following vote:

AYES: Katapodis, Hardy, Shaw, Boardman, Sullivan, Carchio
NOES: Harper
ABSENT: None
ABSTAIN: None



City Clerk and ex-officio Clerk of the
City Council of the City of
Huntington Beach, California