

RESOLUTION NO. _____

**A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN JOSE APPROVING THE TERMS OF AGREEMENT
BETWEEN THE CITY OF SAN JOSE AND BARGAINING UNITS
RELATED TO THE CITY'S HEALTHCARE PROGRAM**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN JOSE:

1. That the terms of a side letter agreement related to the City's healthcare program between the City and the following bargaining units are hereby approved:
 - a. Association of Building, Mechanical and Electrical Inspectors (ABMEI);
 - b. Association of Engineers and Architects, IFPTE Local 21 (AEA);
 - c. Association of Legal Professionals (ALP);
 - d. Association of Maintenance Supervisory Personnel, IFPTE Local 21 (AMSP);
 - e. City Association of Management Personnel, IFPTE Local 21 (CAMP);
 - f. Confidential Employees' Organization, AFSCME Local No. 101 (CEO);
 - g. San Jose Fire Fighters, IAFF Local 230 (IAFF);
 - h. International Brotherhood of Electrical Workers, Local No. 332 (IBEW);
 - i. Municipal Employees' Federation, AFSCME Local No. 101 (MEF);
 - j. International Union of Operating Engineers, Local No. 3 (OE#3); and
 - k. San Jose Police Officers' Association (POA).

2. That the benefit and cost sharing changes for executive management and professional employees in Unit 99 and other unrepresented employees shall be consistent with the terms of the Side Letter Agreement with the City's bargaining units related to the City's healthcare program.

3. The general terms of the agreement are set out and described in the Memorandum to the Honorable Mayor and City Council from Jennifer Schembri, Director of Employee Relations dated July 24, 2018, and attached hereto as Attachment A and incorporated in this Resolution.

ADOPTED this _____ day of _____, 2018, by the following vote:

AYES:

NOES:

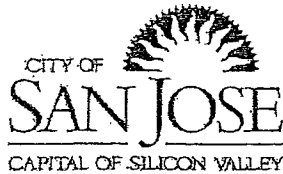
ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jennifer Schembri

SUBJECT: CITY HEALTHCARE PROGRAM

DATE: July 24, 2018

Approved

Date

RECOMMENDATION

Adopt a resolution to:

- a) Approve the terms of a Side Letter Agreement (attached) related to the City's healthcare program between the City of San Jose (City) and the bargaining units listed below:
1. Association of Building, Mechanical and Electrical Inspectors (ABMEI)
 2. Association of Engineers and Architects, IFPTE Local 21 (AEA)
 3. Association of Legal Professionals (ALP)
 4. Association of Maintenance Supervisory Personnel, IFPTE Local 21 (AMSP)
 5. City Association of Management Personnel, IFPTE Local 21 (CAMP)
 6. Confidential Employees' Organization, AFSCME Local No. 101 (CEO)
 7. San Jose Fire Fighters, IAFF Local 230 (IAFF)
 8. International Brotherhood of Electrical Workers, Local No. 332 (IBEW)
 9. Municipal Employees' Federation, AFSCME Local No. 101 (MEF)
 10. International Union of Operating Engineers, Local No. 3 (OB#3)
 11. San Jose Police Officers' Association (POA)
- b) Approve benefit and cost sharing changes for executive management and professional employees in Unit 99 and other unrepresented employees consistent with the terms of the Side Letter Agreement with the City's bargaining units related to the City's healthcare program.

OUTCOME

Adoption of the resolution would modify the City's healthcare program for eligible active employees by creating an additional cost sharing model to the current cost sharing structure. Additionally, the City's healthcare program for eligible part-time benefitted employees would be modified to increase the City's contributions to the medical plan premium rates. Lastly, an additional incentive would be provided to new employees hired in 2018 when selecting a healthcare provider.

BACKGROUND

A. Healthcare Plans

The City provides the following healthcare medical plans to eligible active employees:

- Kaiser \$3,000 Deductible HMO
- Kaiser \$1,500 Deductible HMO (Not available to members of POA and IAFF)
- Kaiser \$25 Co-Pay Plan
- Sutter \$20 Co-Pay Plan
- Sutter \$1,500 Deductible Plan
- Blue Shield \$100 PPO (self-insured)

Employees may also be eligible to receive a flat amount under the City's Health-in-Lieu program instead of being covered by a City medical plan if acceptable proof of alternative group coverage is provided by the employee.

B. Active Employee Healthcare Cost Sharing Structure

The City pays eighty-five percent (85%) of the premium of the lowest priced Non-Deductible HMO Co-Pay plan (currently, the Kaiser \$25 Co-Pay Plan) for the employee or the employee and dependent coverage, while the employee pays the remaining fifteen percent (15%). If the employee selects a plan other than the lowest priced Non-Deductible HMO Co-Pay plan, the employee pays the difference between the eighty-five percent (85%) of the premium of the lowest priced Non-Deductible HMO Co-Pay plan paid by the City and the cost of the selected plan. It should be noted that the premium cost of both the Kaiser \$3,000 Deductible Plan and the Kaiser \$1,500 Deductible Plan fall below 85% of the premium cost of the Kaiser \$25 Co-Pay Plan and are thus available at no cost to employees who select these deductible plans.

This cost sharing structure, which is memorialized in the Memoranda of Agreements with the City's bargaining units, had the unintended consequence of driving employees to select plans offered by one provider. Currently, approximately eighty-four percent (84%) of employees eligible for healthcare are enrolled in a Kaiser plan.

C. Blue Shield \$100 PPO

In 2016, the City approved a self-insured Blue Shield \$100 PPO plan. The Self-Insured Medical Fund was established in January 2017 to account for the City-funded PPO plan. In January 2018, an approximate \$1.65 million shortfall was estimated in this fund for FY2017-2018. This shortfall resulted from the combination of lower than projected revenues due to a 14% decline in enrollment effective January 2018 and higher than anticipated claims expenditures. Enrollment in the Blue Shield \$100 PPO plan is declining rapidly due to escalating costs, and it has resulted in the need for a General Fund subsidy to the Blue Shield \$100 PPO plan of \$1.65 million in FY2017-2018 and \$3.0 million in FY2018-2019 as the

plan costs are exceeding revenue. At this time, it has been determined that there is no immediate feasible option available to the City to replace the current PPO plan with a fully insured one.

D. Retiree Healthcare

There is NO change being contemplated for the City's retiree healthcare program. Under the City's defined benefit retiree healthcare program, which is available to current retirees as well as Tier 1 employees who opted to remain in the program, the retirement plans pay one-hundred percent (100%) of the premium of the lowest cost healthcare plan available to active employees, which is currently the Kaiser \$3,000 Deductible HMO plan. Nothing herein is intended to change the current defined benefit retiree healthcare program.

ANALYSIS

In reviewing its options, the City's intent is to diversify its enrollment populations across all the available healthcare plans. The more diverse enrollment in each of the medical plans would improve the City's ability to attract potential medical plan providers and ultimately serve to enhance the options available to both eligible active employees as well as retirees.

As noted previously, the current cost sharing structure whereby the City pays eighty-five percent (85%), and the employee pays fifteen percent (15%), of the premium of the lowest priced Non-Deductible HMO plan for the employee or the employee and dependent coverage has created an environment where eighty-four percent (84%) of eligible active employees are enrolled in the plans exclusively provided by one medical provider – Kaiser.

It is worth noting that Kaiser has garnered the large number of enrollments of eligible active employees not merely because of costs, but due to the fact that Kaiser is readily accessible to most of our employees and their families.

Kaiser is not a viable option for those who live outside of a Kaiser service area or those who wish to keep their non-Kaiser physician. The City's self-insured Blue Shield \$100 PPO plan and Sutter Health Plus are the options for those retirees and active employees. However, the participants in the Blue Shield \$100 PPO plan have seen their contribution rates increase significantly and the plan is thus becoming increasingly cost-prohibitive to those who enroll. Additionally, the Sutter Health Plus plans are not accessible for all active employees and retirees due to a limited service area. At this time, these employees may not have an option other than the Blue Shield \$100 PPO plan, a plan that the City is already heavily subsidizing.

To meet the needs of those active employees and retirees who are not yet eligible for Medicare, and where Kaiser is not an option, the City hopes to secure a plan that is self-sustaining and not cost prohibitive to participants. Diversifying the pool of enrollees across all the available medical plans and enlarging the population in plans other than Kaiser may allow for other medical plan providers to offer more options to eligible active employees and retirees who are

not yet eligible for Medicare. It is believed that a more robust population enrolled in all the available medical plans would entice other medical plan providers to bid with the City.

Accordingly, the City engaged its bargaining units in negotiations over the City's Healthcare Program. As a result of these negotiations and with the shared goal of diversifying the pool of enrollees across all the available medical plans, the parties reached agreement on a Side Letter Agreement related to the City's healthcare program.

As part of the agreement, both the City and the bargaining units agreed to a cost sharing structure related to the Non-Deductible HMO Co-Pay plan for the medical insurance provider with the second highest overall employee enrollment, in addition to maintaining the current cost sharing structure where the City pays eighty-five percent (85%) of the premium of the lowest priced Non-Deductible HMO Co-Pay plan for the medical insurance provider with the highest overall employee enrollment.

In addition, for the medical plan years of 2019 and 2020, the City will provide part-time benefitted employees with an increased healthcare cost sharing structure which will vary depending on the employee's benefit level. Currently, there are approximately one-hundred sixty (160) part-time benefitted employees and seventy-three (73) who receive and pay for healthcare coverage with the City. This is intended to increase the number of enrollments in the healthcare plan provided by the medical insurance provider with the second highest overall employee enrollment. Increased enrollment in this plan will make the City's population more attractive to bidders when the City releases an RFP for medical plans in 2019 for the 2020 benefit plan year.

The City will also make a one-time non-pensionable taxable lump sum payment of \$500 to new employees who are hired on or after July 15, 2018 through December 31, 2018, who enroll in a healthcare plan provided by the medical insurance provider with the second highest overall employee enrollment, and who remain enrolled in that plan for the 2019 medical plan year. This lump sum payment will be made in Pay Period 3 of the 2019 calendar year. The City can end this lump sum payment program at any time at its own discretion. As noted above, this is intended to increase the number of enrollments in the healthcare plan provided by the medical insurance provider with the second highest overall employee enrollment. The new cost sharing structure will go into effect on January 1, 2019. The offering of a lump sum payment is intended to incentivize employees to enroll in a healthcare plan provided by the medical insurance provider with the second highest overall employee enrollment, and before the new cost sharing structure goes into effect.

A complete copy of the Side Letter Agreement is attached (Attachment A). The following is a summary of the key provisions of the Side Letter Agreement. As noted above, the provisions of the Side Letter Agreement will also apply to executive management and professional employees in Unit 99 and other unrepresented employees where applicable.

July 24, 2018

Subject: City Healthcare Program

Page 5 of 9

Active Employee
Healthcare
Cost Sharing
Structure

- 85% / 15% for Medical Insurance Provider with Highest Overall Employee Enrollment: The City will continue to pay eighty-five percent (85%) of the full premium cost of the lowest priced Non-Deductible HMO Co-Pay plan of the medical insurance provider with the highest overall employee enrollment for the employee or the employee and dependent coverage, and the employee will continue to pay the remaining fifteen percent (15%). As of the date of this memorandum, the lowest priced Non-Deductible HMO Co-Pay plan of the medical insurance provider with the highest overall employee enrollment is the Kaiser \$25 Co-Pay Plan.
- 90% / 10% for Medical Insurance Provider with Second Highest Overall Employee Enrollment: Beginning medical plan year 2019, the City will pay ninety percent (90%) of the full premium cost of the lowest priced Non-Deductible HMO Co-Pay Plan of the medical insurance provider with the second highest overall employee enrollment for the employee or the employee and dependent coverage, and the employee will pay the remaining ten percent (10%). As of the date of this memorandum, the lowest priced Non-Deductible HMO Co-Pay Plan of the medical insurance provider with the second highest overall employee enrollment is the Sutter \$20 Co-Pay Plan.
 - Also beginning medical plan year 2019, any deductible plans offered by the medical insurance provider with the second highest overall employee enrollment and whose cost is below ninety percent (90%) of the full premium cost of the lowest priced Non-Deductible Co-Pay Plan of the provider will be offered to full-time employees at no cost.
- Medical Plans Other than the Lowest Priced Non-Deductible HMO Co-Pay Plans: If a full-time employee selects a plan other than the lowest priced Non-Deductible HMO Co-Pay Plans offered by both the medical insurance provider with the highest overall employee enrollment as well as the medical insurance provider with the second highest overall employee enrollment, the employee pays the difference between the total cost of the selected plan and the City's contribution towards the lowest priced Non-Deductible HMO Co-Pay Plan of the medical insurance provider with the highest overall employee enrollment. As of the date of this memorandum, this means that an employee who selects a plan other than the Kaiser \$25 Co-Pay Plan or the Sutter \$20 Co-Pay Plan will pay the difference in cost between the selected plan and the Kaiser \$25 Co-Pay Plan.
- As previously noted, nothing in this Side Letter Agreement is intended to change the current defined benefit retiree healthcare program.

July 24, 2018

Subject: City Healthcare Program

Page 6 of 9

Default
Healthcare
Plan

- Effective July 15, 2018, any new full-time employees and current employees not previously eligible to receive benefits who are hired into a full-time position eligible for benefits on or after July 15, 2018, who do not sign up for a healthcare plan within thirty (30) calendar days from their hire date, will be automatically enrolled in the Employee Only (Single) tier for the Deductible plan offered by the medical insurance provider with the second highest overall employee enrollment at the time the employee is automatically enrolled. As of the date of this memorandum, the Deductible plan offered by the medical insurance provider with the second highest overall employee enrollment is the Sutter \$1500 Deductible Plan which is at no cost to full-time employees for the Employee Only (Single) tier.

One-Time
Non-Pensionable
Lump Sum

- New full-time employees and current employees not previously eligible to receive benefits who are hired into a full-time position eligible for benefits, and hired on or after July 15, 2018, through December 31, 2018, and who enroll in a healthcare plan provided by the medical insurance provider with the second highest overall employee enrollment, shall receive a one-time non-pensionable taxable lump sum payment of five-hundred dollars (\$500). For purposes of this section, medical insurance provider employee enrollment will be calculated as of July 15, 2018. As of July 15, 2018, the medical insurance provider with the second highest overall employee enrollment date is Sutter.
 - To be eligible for the one-time non-pensionable taxable lump sum payment of five-hundred dollars (\$500), the employee must be enrolled for medical plan year 2019 in a healthcare plan provided by the medical insurance provider with the second highest overall employee enrollment, and the employee must be an active City employee on the date the lump sum payment is made.
 - This one-time non-pensionable lump sum payment of five-hundred dollars (\$500) shall be made in the paycheck issued for Pay Period 3 of the 2019 calendar year.
 - New full-time employees and current employees not previously eligible to receive benefits who do not sign up for a healthcare plan as described above (i.e. who are defaulted into the Sutter \$1500 Deductible Plan) are not eligible for this one-time non-pensionable lump sum payment.
- The parties agree that the City may end the one-time non-pensionable lump sum payment program prospectively at any time and upon the City's discretion by making new employees hired on or after July 15, 2018, but before a specified date prior to December 31, 2018, ineligible for the one-time non-pensionable lump sum payment.

Part-Time
Benefitted
Employees

For medical plan years 2019 and 2020 only:

- For part-time benefitted employees at the 75% benefit level (regularly scheduled 30-34 hours per week, or 1560-1768 hours per year), the City will pay ninety percent (90%) of the full premium cost of the employee-only rate of the lowest priced Deductible Plan of the medical insurance provider with the second highest overall employee enrollment.
- For part-time benefitted employees at the 62.5% benefit level (regularly scheduled 25-29 hours per week, or 1300-1508 hours per year) and part-time benefitted employees at the 50% benefit level (regularly scheduled 20-24 hours per week, or 1040-1248 hours per year), the City will pay seventy-five percent (75%) of the full premium cost of the employee-only rate of the lowest priced Deductible Plan of the medical insurance provider with the second highest overall employee enrollment.
- For medical plan year 2020, the parties agree to discuss the Part-Time Benefitted Employees provisions of the Side Letter Agreement described above, upon request of either the City or the bargaining units, but no earlier than May 1, 2019.

EVALUATION AND FOLLOW-UP

The City will immediately begin to implement the new healthcare cost sharing structure in preparation for it being available for medical plan year 2019. The Human Resources Department will begin working towards educating eligible employees about the healthcare choices that will be available to them for medical plan year 2019 in anticipation of open enrollment in October 2018.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website in advance of the August 7, 2018, City Council Meeting.

COORDINATION

This memorandum was coordinated with the City Manager's Budget Office and the City Attorney's Office.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

COST SUMMARY/IMPLICATIONS

Based on an analysis from the City's benefits actuary, it is estimated that the new cost sharing structure beginning in medical plan year 2019 where the City will pay ninety percent (90%), and the employee ten percent (10%), of the full premium cost of the lowest priced Non-Deductible HMO Co-Pay Plan of the medical insurance provider with the second highest overall employee enrollment for the employee or the employee and dependent coverage, will have an approximate cost to the City of \$800,000 in 2019. This analysis is based upon actuarial assumptions including enrollment migration rates, employment trends and other data, and is only an estimate based on those assumptions. In addition, it is estimated that the new cost sharing structure involving the part-time benefitted employees where, for employees at the 75% benefit level, the City pays ninety percent (90%) of the full premium cost of the employee-only rate of the lowest priced Deductible Plan of the medical insurance provider with the second highest overall employee enrollment, and for employees at either the 62.5% or 50% benefit level, the City will pay seventy-five percent (75%) of the full premium cost of the employee-only rate of the lowest priced Deductible Plan of the medical insurance provider with the second highest overall employee enrollment, will have an additional approximate cost of \$300,000 in 2019.

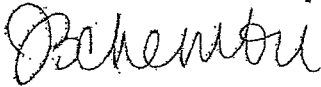
A lump sum payment of \$500 would also be made to each new employee hired between July 15, 2018, and December 31, 2018, that selects a healthcare plan offered by the medical insurance provider with the second highest overall employee enrollment for medical plan year 2019. While it is difficult to estimate the cost of the one-time non-pensionable lump sum payment, the cost would total \$100,000 if there were 200 eligible new employees. As noted above, this program can be ended prospectively at any time at the City's discretion.

The total estimated cost of the proposed changes is approximately \$1.2 million in 2019, which is based on the actuarial assumptions on enrollment changes and the assumption that 200 new employees would be eligible for the \$500 lump sum payment. In the 2018-2019 Adopted Budget, \$3 million is set aside in a City Health Plan Restructuring Reserve to create more diverse medical plan choices, attract more providers, and increase flexibility of plan offerings. Based on actual enrollment changes during open enrollment in October 2018 for the 2019 calendar year and actual employees that qualify for the lump sum payment, budget actions will be brought forward as part of the 2018-2019 Mid-Year Budget Review, as necessary. The costs can be offset by the City Health Plan Restructuring Reserve in the General Fund and ending fund balances and/or contingency reserves in various special funds.

HONORABLE MAYOR AND CITY COUNCIL
July 24, 2018
Subject: City Healthcare Program
Page 9 of 9

CEQA

Not a Project, File No. PP17-010, City Organizational & Administrative Activities resulting in no changes to the physical environment.



Jennifer Schembri
Director of Employee Relations and Acting Director of Human Resources

For questions, please contact Jennifer Schembri, Director of Employee Relations and Acting Director of Human Resources, at (408) 535-1285.

Attachment A: Side Letter Agreement – City Healthcare Program

SIDE LETTER AGREEMENT

BETWEEN

THE CITY OF SAN JOSE

AND

THE ASSOCIATION OF BUILDING, MECHANICAL AND ELECTRICAL INSPECTORS (ABMEI)
THE ASSOCIATION OF ENGINEERS AND ARCHITECTS, IFPTE LOCAL 21 (AEA)
THE ASSOCIATION OF LEGAL PROFESSIONALS (ALP)
THE ASSOCIATION OF MAINTENANCE SUPERVISORY PERSONNEL, IFPTE LOCAL 21 (AMSP)
THE CITY ASSOCIATION OF MANAGEMENT PERSONNEL, IFPTE LOCAL 21 (CAMP)
THE CONFIDENTIAL EMPLOYEES' ORGANIZATION, AFSCME LOCAL NO. 101 (CEO)
THE SAN JOSE FIRE FIGHTERS, IAFF LOCAL 230 (IAFF)
THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL NO. 332 (IBEW)
THE MUNICIPAL EMPLOYEES' FEDERATION, AFSCME LOCAL NO. 101 (MEF)
THE INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL NO. 3 (OE#3)
THE SAN JOSE POLICE OFFICERS' ASSOCIATION (POA)

City Healthcare Program

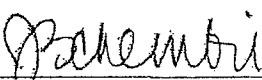
The parties agree to the following related to healthcare:

1. The parties agree that, effective December 16, 2018 (the first pay period of the 2019 payroll calendar year), the following healthcare cost structure for full-time employees shall begin in medical plan year 2019:
 - a. Medical Insurance Provider with Highest Overall Employee Enrollment. The City will pay eighty-five percent (85%) of the full premium cost of the lowest priced Non-Deductible HMO Co-Pay Plan of the medical insurance provider with the highest overall employee enrollment for the employee or the employee and dependent coverage, and the employee pays fifteen percent (15%) of the full premium cost of the lowest priced Non-Deductible Co-Pay Plan of the medical insurance provider with the highest overall employee enrollment.
 - b. Medical Insurance Provider with Second Highest Overall Employee Enrollment. The City will pay ninety percent (90%) of the full premium cost of the lowest priced Non-Deductible HMO Co-Pay Plan of the medical insurance provider with the second highest overall employee enrollment for the employee or the employee and dependent coverage, and the employee pays ten percent (10%) of the full premium cost of the lowest priced Non-Deductible Co-Pay Plan of the medical insurance provider with the second highest overall employee enrollment.
 - (i) Additionally, any Deductible plans offered by the medical insurance provider with the second highest overall employee enrollment and whose cost is below ninety percent (90%) of the full premium cost of the lowest priced Non-Deductible HMO Co-Pay Plan will be offered to full-time employees at no cost.

- c. Medical Plans Other than the Lowest Priced Non-Deductible HMO Co-Pay Plans. If a full-time employee selects a plan other than the lowest priced Non-Deductible HMO Co-Pay Plans described in Section 1(a) and Section 1(b) above, the employee pays the difference between the total cost of the selected plan and the City's contribution towards the lowest priced Non-Deductible HMO Co-Pay Plan of the medical insurance provider with the highest overall employee enrollment (as described in Section 1(a) above).
2. Default Healthcare Plan. New full-time employees and current employees not previously eligible to receive benefits who are hired into a full-time position eligible for benefits on or after July 15, 2018, who do not sign up for a healthcare plan within thirty (30) calendar days from their hire date, will be automatically enrolled in the Deductible plan offered by the medical insurance provider with the second highest overall employee enrollment at the time the employee is automatically enrolled.
3. One-Time Non-Pensionable Lump Sum. Subject to Section 3(d) below, new full-time employees and current employees not previously eligible to receive benefits who are hired into a full-time position eligible for benefits, and hired on or after July 15, 2018 through December 31, 2018, and who enroll in a healthcare plan provided by the medical insurance provider with the second highest overall employee enrollment, shall receive a one-time non-pensionable lump sum payment of five-hundred dollars (\$500). For purposes of Section 3, employee enrollment will be calculated as of July 15, 2018.
 - a. To be eligible for the one-time non-pensionable lump sum payment of five-hundred dollars (\$500), the employee must be enrolled for medical plan year 2019 in a healthcare plan provided by the medical insurance provider with the second highest overall employee enrollment, and the employee must be an active City employee on the date the lump sum payment is made.
 - b. This one-time non-pensionable lump sum payment of five-hundred dollars (\$500) shall be made in the paycheck issued for Pay Period 3 of the 2019 calendar year.
 - c. New full-time employees who do not sign up for a healthcare plan pursuant to Section 2 above are not eligible for this one-time non-pensionable lump sum payment.
 - d. The parties agree that the City may end the one-time non-pensionable lump sum payment program prospectively at any time and upon the City's discretion by making new employees hired on or after July 15, 2018, but before a specified date prior to December 31, 2018, ineligible for the one-time non-pensionable lump sum payment.
4. Part-Time Benefitted Employees. For medical plan years 2019 and 2020 only:
 - a. For part-time benefitted employees at the 75% benefit level (regularly scheduled 30-34 hours per week, or 1560-1768 hours per year), the City will pay ninety percent (90%) of the full premium cost of the employee-only rate of the lowest priced Deductible Plan of the medical insurance provider with the second highest overall employee enrollment for the part-time benefitted employee.

- b. For part-time benefitted employees at the 62.5% benefit level (regularly scheduled 25-29 hours per week, or 1300-1508 hours per year) and part-time benefitted employees at the 50% benefit level (regularly scheduled 20-24 hours per week, or 1040-1248 hours per year), the City will pay seventy-five percent (75%) of the full premium cost of the employee-only rate of the lowest priced Deductible Plan of the medical insurance provider with the second highest overall employee enrollment for the part-time benefitted employee.
 - c. For medical plan year 2020, the parties agree to discuss the Part-Time Benefitted Employees provisions of this Side Letter Agreement described in Section 4(a) and 4(b) above, upon request of either the City or the bargaining units, but no earlier than May 1, 2019.
5. This Side Letter Agreement shall not establish precedent for future agreements and shall not obligate the City or the bargaining units to enter into agreements in the future related to this issue.
6. The terms of this Side Letter Agreement shall become effective when signed by all parties below, and shall be incorporated into the current or successor MOAs of the bargaining units.


FOR THE CITY:



Jennifer Schembri
Director of Employee Relations/
Acting Director of Human Resources

7/24/18

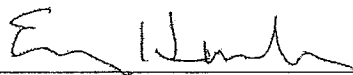
Date



Kelli Parmley
Acting Assistant Director of Human Resources

7/24/18

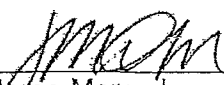
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Emily Henderson
Benefits Division Manager, Human Resources

7-24-18

Date

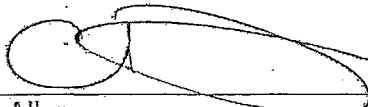


Marco Mercado
Assistant to the City Manager
Office of Employee Relations

7/24/18

Date


FOR THE UNIONS:



Charles Allen
AFSCME Local 101

7-16-18


Date



Mary Blanco
OE#3

7/11/18

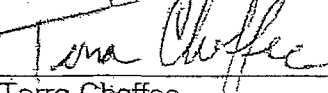
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Kara Capaldo
President, CAMP

7-11-18


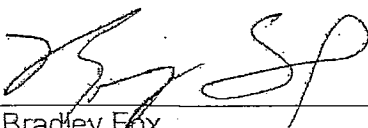
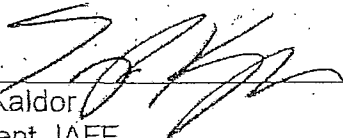
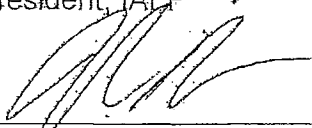

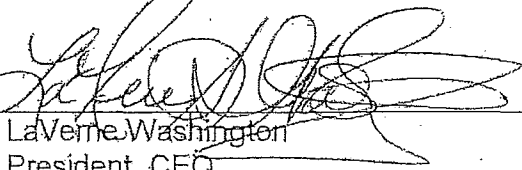
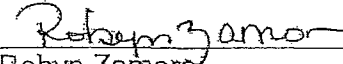
Date



Terra Chaffee
President, ALP

7/18/18

Date

Steve Contreras President, AMSP	Date	 Frank Crusco Chief Steward, IBEW	7-18-2018 Date
Peter Fenerini President, ABMEI	Date	 Bradley Fox President, AEA	7/11/18 Date
 Sean Kaldor President, IAFF	7/23/18 Date	Paul Kelly President, POA	Date
 Matt Mason IFPTE Local 21	7/11/2018 Date	 Dan Romero IBEW	7/23/18 Date
 LaVerne Washington President, CEO	7/18/18 Date	 Robyn Zamora President, MEF	7/23/18 Date