

Interoffice Memorandum

Human Resources Department

Date: 6/7/2017

From: Wendy Silva, Director of Human Resources

To: Honorable Mayor & Council

Subject: Revised Document – Agenda Item B-13

Agenda Item B-13 is a proposed side letter agreement between the City and the Mid-Management Employee Group regarding health benefit contributions for the 2017-18 plan year. After agenda distribution, an error was found in the proposed side letter. The original document indicates that it will remain in full force and effect through June 30, 2017. This should have indicated that it would remain in full force and effect through June 30, 2018. A revised side letter has been prepared and approved by the bargaining unit. The corrected document is provided with this memo.

Thank you.

cc: David Tooley, City Administrator
Sonia Alvarez, City Clerk
Brent Richardson, City Attorney
David Marchen, Comm. Dev. Dir.

**SIDE LETTER AGREEMENT
BETWEEN THE CITY OF MADERA
AND THE
MID-MANAGEMENT EMPLOYEE GROUP**

The parties have conferred, and do hereby agree that Article 18 – Insurance Benefits of the Memorandum of Understanding between the City of Madera and the Mid-Management Employee Group is amended to read as follows:

Article 18 - Insurance Benefits

The City shall provide a monthly benefit dollar amount for each employee to purchase at a minimum employee only medical, dental, and vision coverage. The pay period equivalent of the benefit dollars will be paid each of 24 pay periods per calendar year provided an employee is in a paid status 50% or more of the period when eligible to participate in the health insurance plan. All employees receiving the benefit dollars will be required to participate in the premium conversion component of the IRS Section 125 plan at no cost to the employee.

The number of people the employee elects to enroll in the medical plan determines the amount of benefit dollars provided. If the cost of the employee benefit elections are less than the benefit dollars provided the remainder will be added to the employee check. If the cost of the employee benefit elections is greater than the benefit dollars provided, then the remainder will be deducted from the employee check. Employees can waive participation in health insurance benefits if they provide evidence of other coverage. Employees who waive coverage will receive \$300 per month.

Effective July 1, 2015, the schedule of monthly benefit dollars will be:

<u>Coverage</u>	<u>Monthly Benefit Dollars</u>
Waiver of Coverage	300.00
EE Only	743.25
EE+1	1,352.05
EE+Family	1,970.04

Effective July 1, 2016, the schedule of monthly benefit dollars will be:

<u>Coverage</u>	<u>Monthly Benefit Dollars</u>
Waiver of Coverage	300.00
EE Only	790.66
EE+1	1,441.84
EE+Family	2,040.84

Effective July 1, 2017, that contribution will be as follows:

<u>Coverage</u>	<u>Monthly Benefit Dollars</u>
Waiver of Coverage	\$300.00
EE Only	\$792.56
EE+1	\$1,439.11
EE+Family	\$2,093.09


Employer will provide teledoc services as part of the medical plan offerings for the July 1, 2016-June 30, 2017 plan year at Employer's expense.

Effective July 1, 2017, Employer will renew the offered teledoc services as part of the medical plan offerings for the July 1, 2017-June 30, 2018 plan year. The teledoc services are captured in the medical plan premiums and monthly benefit allowance as indicated above and no contribution beyond the above monthly benefit allowance will be made by Employer.

The City reserves the right to determine the carriers and will seek input from the bargaining units regarding plan design of the standard benefits and possible voluntary optional benefits. Optional benefits include, but are not limited to, dependent coverage and participation in flexible spending accounts.

The City provides term life insurance for employees in the Group in the amount of \$15,000 for which includes accidental death and dismemberment (AD & D) coverage. The City also provides dependent life in the amount of \$5,000 and Long Term Disability Insurance, which provides salary replacement benefits.

This Side Letter Agreement is effective upon adoption and shall remain in full force and effect until June 30, 2018.



Humberto Molina
Mid Management Representative

David R. Tooley,
City Administrator

Tue 06 June 17

Date

Date