#### **RESOLUTION NO. 2014-075**

# A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROHNERT PARK APPROVING THE TENTATIVE AGREEMENTS ON A THREE YEAR PROPOSAL AND RETIREE MEDICAL BENEFITS WITH SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 1021 (SEIU)

WHEREAS, the Service Employees International Union, Local 1021 (SEIU) has ratified the terms and conditions contained in their Tentative Agreements on a Three Year Proposal and Retiree Medical Benefits with the City of Rohnert Park (City); and

WHEREAS, the City Council wishes to recognize and approve the terms and conditions of the Tentative Agreements on a Three Year Proposal and Retiree Medical Benefits with SEIU.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Rohnert Park that it does hereby approve the Tentative Agreements on a Three Year Proposal and Retiree with the SEIU which are attached hereto as Exhibit "A" and incorporated by this reference.

**BE IT FURTHER RESOLVED** that the City Manager is hereby authorized and directed to execute documents pertaining to same for and on behalf of the City of Rohnert Park.

**DULY & REGULARLY ADOPTED** this 24th day of June, 2014.

CITY OF ROHNERT PARK

Go

Joseph T Callinan, Mayor

ATTEST:

oAnne Buergler, City Clerk

Exhibit A: SEIU TENTATIVE AGREEMENTS ON A THREE YEAR PROPOSALAND RETIREE MEDICAL BENEFITS

BELFORTE: MACKENZIE: We STAFFORD: Moles Ahanotu: We Callinan: Wyl Ayes: ( 4 ) Noes: ( 6 ) Absent: ( 1 ) Abstain: ( 6 )

Exhibit A to Resolution 2014-075

CITY OF ROHNERT PARK
AND THE
S.E.I.U. LOCAL 1021

2014 MOA NEGOTIATIONS
GREEMENT ON THERE

# TENTATIVE AGREEMENT ON THREE YEAR PROPOSAL

June 11, 2014

The City of Rohnert Park (the "City") and the Service Employees International Union, Local 1021 ("SEIU") have negotiated and reached a tentative agreement on a successor Memorandum of Agreement ("MOA"). No tentative agreement shall be a final agreement except as a part of a total package agreement between the parties. Both parties agree that final approval of the tentative collective bargaining agreement is subject to ratification by SEIU membership and the City of Rohnert Park City Council.

#### 3. Holidays

#### 3.1 **Observed Holidays**

Employees shall receive the following twelve thirteen and one-half (1213 1/2) holidays annually, specifically:

"New Year's Day," January 1 The third Monday in January, "Martin Luther King Jr., Day" Friday preceding "President's Day" The third Monday in February, "President's Day" The last Monday in May, "Memorial Day" "Independent Day," July 4 The first Monday in September, "Labor Day" "State Admission Day," September 9 The second Monday in October, "Columbus Day" "Veteran's Day," November 11 The fourth Thursday in November, "Thanksgiving Day" The day after "Thanksgiving Day" 12:00 Noon to 5:00 p.m. on Christmas Eve, December 24 (a total of four paid holiday hours) "Christmas Day," December 25

Every day proclaimed by the President, Governor or Mayor of the City as a public holiday and made applicable to City employees.

Each day that the Governor declares a day of mourning or special observance as a holiday for State employees if the declaration makes it applicable to City employees.

#### 3.2 Floating Holiday

In addition to the recognized holidays identified in Section 3.1, each eligible employee shall be allocated one floating holiday (equivalent to 8 hours for a full-time employee) per fiscal year on July 1st. Each employee hired prior to July 1 of each year shall be entitled to the floating holiday. Employees hired after July 1 will be entitled to the floating holiday on a pro rata basis. The floating holiday must be taken prior to June 30th of each year. The floating holiday will not be carried over from year to year and there shall be no cash value for the floating holiday during employment or upon separation from the City.

#### 6.7 Insurance Coverage

The City shall provide the insurance programs described in this Section. The City reserves the right to provide these insurance programs by self-insurance, through an insurance company or by any other method which provides the coverage outlined. Any premiums paid by the employee eligible for Section 125 will be deducted from the employee's pay on a pre-tax basis. These provisions will remain in effect during the term of the agreement unless the parties by mutual agreement agree to different insurance coverage including "cafeteria" style benefits plan. The Parties will work together through the Joint Labor Management Committee to discuss options to develop and implement a "cafeteria" style benefits plan under the provision of the Internal Revenue Code section 125. Absent mutual agreement to an earlier date, the parties will target implementation by July 1, 2013 during negotiations for a successor MOA.

#### (b) Health Insurance

The City shall offer employees and their eligible dependents, a health insurance program under the terms set forth below:

- i. For the term of this agreement employees will have a choice of Kaiser Permanente (Traditional \$20 Co-Pay Plan, Traditional \$40 Co-Pay Plan and HSA) or Anthem Blue Cross Prudent Buyer Plan (Traditional \$250 Deductable Plan and HSA) through REMIF or any other appropriate comparable health plan offered by the City.
- ii. The City agrees to will contribute up to the following amount per month toward the cost of employee towards medical insurance premiums for City's offered health plans an amount equal to 80% of the lowest cost health plan at the employee's enrollment level, excluding the Health Savings Account plans:

Enrollment Level	2014-2015	2015-2016	2016-2017
Employee Only (Single)	\$469.00	\$485.00	\$500.00
Employee + 1 (Two Party)	\$938.00	\$971.00	\$1,000.00
Employee + 2 (Family)	\$1327.00	\$1,373.00	\$1,400.00

- iii. The City shall provide a copy of the summary description of all health care programs offered by the City to each employee upon request.
- Regular part-time employees may elect to participate in health insurance plans and the City will contribute a pro-rata amount (based on the allocation of the position) towards the premium. The part-time employee will be responsible for the balance of the premium through payroll deductions. If the part-time employee does not select coverage, no cash payment will be made in lieu of the insurance.

#### **New Section:**

#### 6.7 (c) Joint Commitment to Affordable Health Care

The parties are committed to providing quality and affordable health care for all members. Ninety (90) days prior to open enrollment, parties will work together through their Joint Labor Management Committee to review preliminary health care rates and discuss any potential changes to plan design to reduce costs. Any changes to plan designs, including providers, will be made by mutual agreement during the term of the MOU. However, changes necessitated by REMIF's transition from fully insured plans to self-insured plans are outside the scope of this agreement. The City is also willing to participate in discussions with SEIU that could lead to the overall reduction in insurance costs.

#### 9. Salary Adjustments & Miscellaneous Pay

#### 9.1 Salary Adjustments

Salaries will not be subject to a general wage adjustment during the term of this Memorandum of Agreement.

- (a) Effective the first full pay period in July 2014, all members shall receive a one-time payment of three percent (3%) of their base salary. This is non-pensionable.
- (b) Effective the first full pay period in July 2015, all members shall receive a one-time payment of three percent (3%) of their base salary. This is non-pensionable.
- (c) Effective the first full pay period in July 2016, all members shall receive a three percent (3%) increase to base salary in pensionable compensation.

#### 9.2 Pay Day

City shall distribute paychecks to employees by noon on payday.

#### 9.3 Fiscal/Budgetary Impacts Layoff Procedure

- (a) If the State of California experiences a fiscal crisis and substantial funds are extracted from the City or sales tax revenues or other major revenue sources decline to a point where the City must consider a reduction in staffing, S.E.I.U. agrees to re-open this agreement and meet and confer to address and discuss salary issues.
- (b)—The City and S.E.I.U. agree to clarify how Section 21, Layoffs and Section 22, Reinstatement in City Manager's Administrative Policy No. 1, Personnel Rules and Regulations shall apply to S.E.I.U. members.

Total time employed by the City, not including temporary employment assignments, shall be used to determine the seniority of a given employee. Part-time employment shall be credited on a prorated basis. For example, half time employment during two weeks will be credited as one week of employment when determining seniority.

In the event of a layoff, the City agrees to lay off employees according to seniority. The layoff order of employees within a given classification will be as follows: the employee with the least seniority will be subject to lay off first, the employee with the second lease seniority will be subject to lay off second, and so on. The employee with the most seniority will be the last employee subject to lay off within a given classification.

In the event of employee reinstatement, the City agrees to reinstatement according to seniority. The reinstatement order of employees within a given classification

will be as follows: the employee with the most seniority will be reinstated first; the employee with the second most seniority will be reinstated second, and so on. The employee with the least seniority will be the last employee to be reinstated within a given classification-

#### 18. Term of Agreement

#### 18.1 Effective Date

This agreement shall is to become effective on July 1, 20132014 through

#### 18.2 Termination Date

This agreement will terminate on June 30, 20142017 unless extended by mutual agreement of the parties.

## 19. Succeeding Agreement

Negotiations for the period commencing July 1, 20142017, shall begin on or before February 1, 20142017, by which time S.E.I.U. shall submit its proposals to the City Manager.

#### **Ratification Bonus**

Upon ratification of this Agreement by SEIU and the City of Rohnert Park, the City shall pay to each employee a ratification bonus of \$500.00. This bonus will be paid in one lump sum in the first pay period for the fiscal year 20014/15. The signing bonus is taxable, and all regular payroll taxes will be withheld. This ratification bonus is contingent upon ratification of this Agreement by SEIU prior to June 30, 2014.

FOR THE CITY

FOR SEIU

Carolyn Lopez

Date

Carolyn Lopez

Date

Date

Date

Date

Chuck Harmon

Date

Sean O'Donnell

Date

	*	

Passod to SEIN 6/11/14 V. 2 5:02

## DRAFT MULTI-YEAR PROPOSAL City of Rohnert Park and SEIU MOA Negotiations

#### **Retiree Medical Benefits** June 11, 2014

#### Section 6.17 Retired, Deceased and/or Permanently and Totally Employees

The language in this section has been revised from the MOA between the City and SEIU, Local 1021, effective July 1, 2007 through June 31, 2009 only for the purposes of administrative clarification, and does not represent a change in benefits provided.

- (a) The City agrees to make a medical insurance premium contribution toward the applicable early retirement premium or Medicare-eligible premium as outlined in the attached "Appendix A: Insurance Premium Contribution Rate Schedule." Coverage will extend to eligible dependents. The City will provide such contributions only:
  - To regular full time or regular part time City employees hired before June 30. 2007 who have at least fifteen (15) years of continuous service with the City and who retire upon reaching retirement age or thereafter and are receiving a retirement allowance from CalPERS. Said employees shall be referred to as "Retired Employees."
  - Employees with less than 15 consecutive years of service with the City receive no City fringe benefits, i.e. medical, dental, vision, life insurance at retirement
  - b. Calculation of premium will be prorated for regular, part time employees.
  - Employees must retire concurrent with termination for service with the City to be eligible for this benefit (no vesting).
  - The City's share of the premium costs for all retirement benefits as described herein shall not exceed the amount described in the attached "Insurance Premium Contribution Rate Schedule," and shall not include payment of Medicare B premiums.

#### 1. Definition of Terms

- a. "Eligible Employee" means any regular full-time or regular part-time employee hired by the City before July 1, 2007, and who actively participates in and contributes to the CalPERS Retirement System, and who will be entitled, when eligible, to receive a retirement allowance from CalPERS.
- b. "Retired Employee" or "Retiree" is a regular full-time or regular part-time City employee hired before July 1, 2007 who retires from the City and thereafter receives a retirement allowance from CalPERS. Retirement includes service retirement or disability retirement from the City of Rohnert Park.

c. "Continuous City service" is defined as being continuous regular full-time or regular part-time City employment for calculating length of continuous service and service credit under this section. Part-time (non-benefited) employment and approved unpaid leaves will not be used in calculating length of continuous service under this section. Any separation from City employment will void any previous accrual towards length of continuous service for purposes of this section, unless otherwise waived by the City Manager and due to extenuating circumstances. Layoffs with subsequent restoration and approved City paid leaves do not constitute separation from City service (and therefore will not void any previous accrual towards length of continuous service) for the purpose of this section.

#### 2. Retiree Health Benefits

#### a. Hired Before July 1, 2007

Before January 15, 2015, the City shall establish a Retiree Health Savings Account (RHSA) for each Eligible Employee and shall contribute \$2,000.00 per year of Continuous City Service into the RHSA. For purposes of the service credit calculation, eligible employees shall receive service credit on a pro rata basis by month of service as of January 1, 2015.

The City will explore providing alternative plan options to the RHSA, including 457 deferred compensation plans, and if feasible will offer such alternative plans to Eligible Employees.

## i. Eligible Employees Who Retire From the City on or After July 1, 2014

For Eligible Employees who retire from the City of Rohnert Park on or after July 1, 2014, The City agrees to make a medical insurance premium contribution toward the applicable early retirement premium or Medicare-eligible premium in the amount of \$500.00 per month until said Retired Employee reaches the age of Medi-Care eligibility or elects to leave the City medical system as outlined in Attachment B, "Retiree Medical Insurance Tables," as modified annually to reflect changes in the premium rates. Subject to the eligibility criteria of REMIF and/or insurance plans, Eligible Employees may participate as retirees at their own expense in the City's group health insurance.

#### ii. Eligible Employees Who Retire Prior to January 1, 2015

In the event an Eligible Employee elects to retire prior to January 1, 2015 subject to the terms of this Agreement and the benefit provided in section 2(a)(i) above, the RHSA shall be established and funded on the date of retirement, or as near as practicable to that date. The Eligible Employee must make the election to retire prior to January 1, 2015 in writing and provide a minimum of thirty (30) days' notice to the Personnel Officer.

Alternatively, Eligible Employees who meet the requirements set forth in Section 6.18 below may retire under the provisions of that section.

- 2. To regular full-time or regular part-time employees hired before June 30, 2007 who:
  - a. Have at least ten (10) years of continuous service with the City, and;
  - b. Are retired forthwith from the City of Rohnert Park service into CalPERS at the time of permanent or total disability, and;
  - c. Are permanently and totally disabled from their occupation and unable to perform with reasonable continuity the material duties of their own occupation. After twenty four (24) months if gainful employment is obtained in an occupation in which the material duties are reasonably fitted by education, training, experience and compensation to the occupation at the time of disability, the employee shall no longer be considered permanently and totally disabled from their occupation. In such circumstances, benefits shall be discontinued.
  - d. Said employees shall be referred to as "Retired Employees" except for the circumstance noted above in which the employee is no longer permanently and total disabled. Coverage will extend to eligible spouse, registered domestic partner, and dependents.
- 3. To the surviving spouse, registered domestic partner, and legal dependents of a regular full time or regular part-time employee hired before June 30, 2007 who died while a City employee after ten (10) or more years of continuous service with the City. Said employee shall be referred to as a "Deceased Employee."

#### v. Dental and Vision Benefits For Eligible Employees

- 4. The City agrees to provide/offer and pay to regular full-time or regular part-time employees hired before <u>July 1June 30</u>, 2007, the premium(s) as provided for active employees insurance, for dental care, and vision care benefits for retired employees and <u>one</u> eligible dependents <u>until the Retired Employee reaches the age of Medi-Care eligibility or elects to leave the City medical system.</u>
  Calculation of premium will be prorated for regular, part-time employees.
- 5. Benefits provided under Section 6.17(1) shall be coordinated with Medi-Care, Medi-Cal, and any other welfare program available of which said benefit coverage shall be considered primary and City provided coverage in turn considered secondary.
- 6. All <u>dental care and vision care</u> benefits provided under <u>this</u> Section 6.17(1) are subject to the characteristics of each individual benefit program. The life

insurance to be provided will be the life insurance plan amount in effect and in accordance with the provisions of the life insurance program as of the date of employee's retirement.

# vi. Medical Contribution, Dental and Vision Benefits in the Event of Retired Employee's Death or Election to Leave the City Medical System.

- 7. The benefits provided under this section will continue for such retired employees and their spouse, registered domestic partner, and legal dependents, if any, while said retired employee is alive. In the event of the Retired Employee's death, coverage provided by the City to the Retired Employee will not continue for the survivors or dependent children of the Retired Employee, spouse or registered domestic partners until the spouse or domestic partner dies, remarries, or forms another registered domestic partnership. In addition, the benefits provided under this section will continue for said retired or deceased employee's legal dependent children who qualify as an Internal Revenue Service dependent until said children reach the maximum age limit specified by state or federal law, or the spouse or registered domestic partner marries, or forms another registered domestic partnership whichever occurs earliest.
- 8. Continuous City service is defined as being continuous regular full time or regular part time City employment for calculating length of continuous service under this section. Part time (non-benefited) employment and approved unpaid leaves will not be used in calculating length of continuous service under this section. Any separation from City employment will void any previous accrual towards length of continuous service for purposes of this section, unless otherwise waived by the City Manager and due to extenuating circumstances. Layoffs with subsequent restoration and approved City paid leaves do not constitute separation from City service (and therefore will not void any previous accrual towards length of continuous service) for the purpose of this section.
- 9. Any retired employee who, after retirement from the City, becomes employed elsewhere and is covered by medical, life insurance, health, dental or vision care benefits by his/her new employer, said coverage provided by the City to the retired employee will be considered secondary to the coverage provided by his/her new employer, his/her new employer's coverage shall be considered primary. Retired employees are required to notify the City's Human Resource Department of any additional insurance coverage from new employers.
- 10. Any spouse or registered domestic partner of a deceased employee or deceased retired employee who is receiving benefit coverage as provided under this section, becomes employed and is covered by medical, health, dental or vision care benefits by his/her employer, said coverage provided by City will be considered

Retiree Medical Language Proposal June 11, 2014 Page 5 of 9

secondary to the coverage provided by the spouse's or registered domestic partner's employer, and is/her employer's coverage shall be considered primary.

#### 3. Hired on or after July 1, 2007

- (b) Beginning July 1, 2014, on a going forward basis, regular full-time or part-time City employees hired after June 30, 2007 on or after July 1, 2007 shall be eligible for the benefits described below in lieu of the benefits described in Sections 6.17(12) above:
  - 1. Effective July 1, 2014, the City will increase the contribution from contribute \$75.00 per month to \$100.00 per month for active employees in paid status to a Retiree Health Savings Account (RHSA). The monthly contribution will end upon the employee's date of retirement or separation from the City.
  - 2. The City's contribution to an employee's RHSA shall be considered vested as to an employee terminating City employment with ten (10) five (5) or more consecutive years of City service.
  - 3. Calculation of contribution will be prorated for regular part time employees.
  - 4. Subject to the eligibility criteria of REMIF and/or insurance plans, employees hired after June 30, 2007 may participate as retirees at their own expense in the City's group health insurance.

\*\* City of Rohnert Park and SEIU, MOA Effective July 1, 2013 to June 30, 2014\*\*

### 6.176.18 Option for Eligible Employees Who Retire Prior to January 1, 2015

The language in this section has been revised from the MOA between the City and SEIU, Local 1021, effective July 1, 2007 through June 31, 2009 only for the purposes of administrative clarification, and does not represent a change in benefits provided.

- (a) The City agrees to make a medical insurance premium contribution toward the applicable early retirement premium or Medicare-eligible premium as outlined in the attached "Appendix A: Insurance Premium Contribution Rate Schedule." Coverage will extend to eligible dependents. The City will provide such contributions only:
  - 1. To regular full-time and regular part-time City employees hired before June 30, 2007 who have at least fifteen (15) years of continuous service with the City and who retire upon reaching retirement age or thereafter and are receiving a retirement allowance from CalPERS. Said employees shall be referred to as "Retired Employees."
    - a. Employees with less than 15 consecutive years of service with the City receive no City fringe benefits, i.e., medical, dental, vision, life insurance at retirement;
    - b. Calculation of premium will be prorated for regular, part-time employees;
    - c. Employees must retire concurrent with termination of service with the City to be eligible for this benefit (no vesting);
    - d. The City's share of the premium costs for all retirement benefits as described herein shall not exceed the amount described in the attached "Insurance Premium Contribution Rate Schedule," and shall not include payment of Medicare B premiums.
  - 2. To regular full-time or regular part-time employees hired before June 30, 2007 who:
    - a. Have at least ten (10) years of continuous service with the City; and:
    - b. Are retired forthwith from the City of Rohnert Park service into CalPERS at the time of permanent or total disability, and;
    - c. Are permanently and totally disabled from their occupation and unable to perform with reasonable continuity the material duties of their own occupation. After twenty-four (24) months if gainful employment is obtained in an occupation in which the material duties are reasonably fitted by education, training, experience and compensation to the occupation at the time of disability, the employee shall no longer be considered permanently and totally

- disabled from their occupation. In such circumstances, benefits shall be discontinued.
- d. Said employees shall be referred to as "Retired Employees" except for the circumstance noted above in which the employee is no longer permanently and totally disabled. Coverage will extend to eligible spouse, registered domestic partner, and dependents.
- 3. To the surviving spouse, registered domestic partner, and legal dependents of a regular full-time or regular part-time employee hired before June 30, 2007 who died while a City employee after ten (10) or more years of continuous service with the City. Said employee shall be referred to as a "Deceased Employee."
- 4. The City agrees to provide/offer and pay to regular full-time or regular part-time employees hired before June 30, 2007, the premium(s) as provided for active employees at time of retirement for life insurance, dental care, and vision care benefits for retired employees and eligible dependents. Calculation of premium will be prorated for regular, part-time employees.
- 5. Benefits provided under this section shall be coordinated with Medi-Care, Medi-Cal, and any other welfare program available of which said benefit coverage shall be considered primary and City provided coverage in turn considered secondary.
- 6. All benefits provided under this section are subject to the characteristics of each individual benefit program. The life insurance to be provided will be the life insurance plan amount in effect and in accordance with the provisions of the life insurance program as of the date of employee's retirement.
- 7. The benefits provided under this section will continue for such retired employees and their spouse, registered domestic partner, and legal dependents, if any, while said retired employee is alive. In the event of the retired employee's death, coverage will continue for the spouse or registered domestic partners until the spouse or domestic partner dies, remarries, or forms another registered domestic partnership. In addition, the benefits provided under this section will continue for said retired or deceased employee's legal dependent children who qualify as an Internal Revenue Service dependent until said children reach the maximum age limit specified by state or federal law, or the spouse or registered domestic partner marries, or forms another registered domestic partnership whichever occurs earliest.

- 8. Continuous City service is defined as being continuous regular full-time or regular part-time City employment only for calculating length of continuous service under this section. Part-time (non-benefited) employment and approved unpaid leaves will not be used in calculating length of continuous service under this section. Any separation from City employment will void any previous accrual towards length of continuous service for purposes of this section, unless otherwise waived by the City Manager and due to extenuating circumstances. Layoffs with subsequent restoration and approved City paid or unpaid leaves do not constitute separation from City service (and therefore will not avoid any previous accrual towards length of continuous service) for the purpose of this section.
- 9. Any retired employee who, after retirement from the City, becomes employed elsewhere and is covered by medical, life insurance, health, dental or vision care benefits by his/her new employer, said coverage provided by the City to the retired employee will be considered secondary to the coverage provided by his/her new employer, his/her new employer's coverage shall be considered primary.
- 10. Any spouse or registered domestic partner of a deceased employee or deceased retired employee who is receiving benefit coverage as provided under this section, becomes employed and is covered by medical, health, dental or vision care benefits by his/her employer, said coverage provided by City will be considered secondary to the coverage provided by the spouse's or registered domestic partner's employer, and his/her employer's coverage shall be considered primary.
- (b) Regular City employees hired after June 30, 2007 shall be eligible for the benefits described below in lieu of the benefits described in Sections 6.17(a) above.
  - 1. The City will contribute \$75.00 per month for active employees in paid status to a Retiree Health Savings Account (RHSA).
  - 2. The City's contribution to an employee's RHSA shall be considered vested as to an employee terminating City employment with ten (10) or more consecutive years of City service.
  - Calculation of contribution will be prorated for regular part-time employees.
  - 4. Subject to the eligibility criteria of REMIF and/or insurance plans, employees hired after June 30, 2007 may participate as retirees at their own expense in the City's group health insurance.

[Attach Appendix A Retiree Medical Insurance Table]

Retiree Medical Language Proposal June 11, 2014 Page 9 of 9

Timothy Davis

Date

Date

Date

Date

Date

Carolyn Lopez Date

Del Reje Date

Chuck Harmon Date

Chuck Harmon Date

Chuck Harmon Date