

SIDE LETTER OF AGREEMENT

BETWEEN

CITY OF CORONA

AND

CORONA FIREFIGHTERS ASSOCIATION, IAFF LOCAL 3757

This Side Letter of Agreement ("Agreement") between the City of Corona ("City") and the Corona Firefighters Association, IAFF, Local 3757 ("CFA") is entered into with respect to the following:

WHEREAS, the Parties are parties to a Memorandum of Understanding (MOU) that expires on June 30, 2021; and

WHEREAS, the Parties are currently negotiating for a successor MOU, and believe the process will take additional time beyond the expiration of the MOU, as the negotiations involve both significant re-writes to MOU provisions as well as consideration of a classification and compensation study that the City had a consultant prepare in anticipation of negotiations; and

WHEREAS, the Parties have agreed to a six-month extension of their MOU in exchange for what is set forth below; and

WHEREAS, the following sets forth the Parties' Agreement:

1. The Parties agree that the expiration date of their current MOU is extended from June 30, 2021 to December 31, 2021.
2. The City agrees that each classification represented by CFA will receive a base salary increase of five percent (5%) effective on the first day of the pay period following City Council approval of this Agreement.
3. The CFA agrees in its entirety to the proposal that the City made in its proposal # 1, dated May 19, to Section 4.4 – Health Insurance, including subsection 4.4.1. The changes to Section 4.4 will go into effect on August 1, 2021. Section 4.4. (shown in track changes) is attached hereto as Exhibit A.
4. The City agrees to memorialize the way the City's payroll system (One Solution) calculates overtime and withdraws its negotiations proposal to modify the way overtime is calculated as well as withdraws its negotiations proposal to increase deferred compensation. The MOU will reflect that the City calculates overtime as follows: The City uses the (56-Hour Base Rate) plus Special Assignment pays divides by 112 to get a "regular rate of pay" that is multiplied by 1.5.

FOR THE CITY OF CORONA

Jacob Ellis
City Manager

Date

Angela Rivera
Chief Talent Officer

Date

FOR THE CORONA FIREFIGHTERS ASSOCIATION

Trevor Walsh
President, CFA

Date

APPROVED AS TO FORM

Peter J. Brown
Attorney for City of Corona

Date

Howard Liberman
Attorney for CFA

Date

EXHIBIT A

Section 4.4 – Health Insurance:

4.4.1 Medical Insurance:

The City contracts with the California Public Employees' Retirement System (CalPERS) for the provision of medical insurance. All employees in the bargaining unit shall receive the CalPERS statutory minimum (i.e., the amount required under the Public Employees' Medical and Hospital Care Act (PEMHCA) which is \$143.00 for calendar year 2021 and a yet to be determined amount for subsequent calendar years).

The City contracts to provide Dental Insurance (currently with Delta Dental) with both an HMO and PPO plan option available for employees to choose.

The City contracts to provide Vision Insurance (currently with EyeMed) for employees to choose.

All employees in the bargaining unit shall receive the amounts below for the purchase of health insurance. This includes medical, dental and vision insurance. These amounts include the CalPERS statutory minimum as well as an additional amount provided under the City's Section 125 Cafeteria Plan.

A. Tier I Employees: The City agrees to provide a monthly medical insurance allowance ("Medical Allowance") to Members hired prior to July 1, 2000 to be used for the purpose of purchasing mandatory health coverage offered through the CalPERS Health Program as governed by the Public Employees' Medical & Hospital Care Act ("PEMHCA") for the Member and his or her eligible dependents. Effective the first full pay period following March 21, 2018, the Medical Allowance shall consist of the following: (1) a base contribution rate according to the current CalPERS schedule ("Base Contribution Rate"), plus (2) an amount equal to the difference between the Base Contribution Rate and the following amounts, as applicable:

- (1) \$6304.7542 per month for Members electing Employee only coverage;
- (2) \$1,327202.5083 per month for Members electing Employee plus one dependent coverage; or
- (3) \$1,725563.8367 per month for Members electing Employee plus two or more dependents coverage.

The City's provision of funds for health insurance is provided Medical Allowance will be made available through the Cafeteria Plan. If a Member enrolls in a health benefits plan that costs more than the provided above Medical Allowance, they he or she will be responsible for payment of any additional dollars for the benefits chosen premium in excess of the Medical Allowance.

B. Tier II Employees: The City agrees to provide a Medical Allowance to Members hired on or after to July 1, 2000 and to Members hired on or after January 1, 2013 who qualify for the designation of a Classic CalPERS member, to be used for the purpose of purchasing mandatory health coverage offered through PEMHCA for the Member and his or her eligible dependents. Effective the first full pay period following March 21, 2018, the Medical Allowance shall consist of the following: (1) the Base Contribution Rate, plus (2) an amount equal to the difference between the Base Contribution Rate and the following amounts, as applicable:

- (1) ——— \$601.42 per month for Members electing Employee only coverage;

- ~~(2) — \$1,202.83 per month for Members electing Employee plus one dependent coverage; or~~
- ~~(3) — \$1,563.67 per month for Members electing Employee plus two or more dependents coverage.~~

~~The Medical Allowance will be made available through the Cafeteria Plan.~~

~~Subject to the limitations set forth below, the excess of the Medical Allowance remaining after purchase of mandatory health coverage through PEMHCA, if any (“**Medical Difference**”), may be allocated toward the purchase of other Cafeteria Plan benefits or may be taken as a taxable cash payment, in accordance with the terms of the Cafeteria Plan. The maximum Medical Difference to which an employee is entitled shall be \$950.00 per month. If a Member enrolls in a health plan that costs more than the Medical Allowance, he or she will be responsible for payment of any premium in excess of the Medical Allowance.~~

~~C. Tier III Employees: The City agrees to provide a Medical Allowance to Members hired on or after January 1, 2013 who do not qualify for the designation of a Classic CalPERS member to be used for the purpose of purchasing mandatory health coverage offered through PEMHCA for the Member and his or her eligible dependents. Effective the first full pay period following March 21, 2018, the Medical Allowance shall consist of the following: (1) the Base Contribution Rate, plus (2) an amount equal to the difference between the Base Contribution Rate and the following amounts, as applicable:~~

- ~~(1) — \$601.42 per month for Members electing Employee only coverage;~~
- ~~(2) — \$1,202.83 per month for Members electing Employee plus one dependent coverage; or~~
- ~~(3) — \$1,563.67 per month for Members electing Employee plus two or more dependents coverage.~~

~~The Medical Allowance will be made available through the Cafeteria Plan. Subject to the limitations set forth below, the Medical Difference, if any, may be allocated toward the purchase of other Cafeteria Plan benefits or may be taken as a taxable cash payment, in accordance with the terms of the Cafeteria Plan. The maximum Medical Difference to which an employee is entitled shall be \$950.00 per month. If a Member enrolls in a health plan that costs more than the Medical Allowance, he or she will be responsible for payment of any premium in excess of the Medical Allowance.~~

~~D. Tier IV Employees: The City agrees to provide a Medical Allowance to Members hired on or after March 21, 2018, to be used for the purpose of purchasing mandatory health coverage offered through PEMHCA for the Member and his or her eligible dependents.~~

~~(a) Effective March 21, 2018, the Medical Allowance shall consist of the following: (1) the Base Contribution Rate, plus (2) an amount equal to the difference between the Base Contribution Rate and the following amounts, as applicable:~~

- ~~(1) — \$473.46 per month for Members electing Employee only coverage;~~
- ~~(2) — \$946.92 per month for Members electing Employee plus one dependent coverage; or~~
- ~~(3) — \$946.92 per month for Members electing Employee plus two or more dependents coverage.~~

~~The Medical Allowance will be made available through the Cafeteria Plan. If a Member enrolls in a health plan that costs more than the Medical Allowance, he or she will be responsible for payment of any premium in excess of the Medical Allowance. The excess of the Medical Allowance remaining after purchase of mandatory health coverage through PEMHCA, if any, may **NOT** be allocated toward the purchase of other Cafeteria Plan~~

benefits and may **NOT** be taken as a taxable cash payment.

~~(b) From and after the Member's "Fifth Benefit Year" (as defined below), the Medical Allowance for Members hired on or after March 21, 2018 shall consist of the following: (1) the Base Contribution Rate, plus (2) an amount equal to the difference between the Base Contribution Rate and the following amounts, as applicable:~~

- ~~(1) — \$601.42 per month for Members electing Employee-only coverage;~~
- ~~(2) — \$1,202.83 per month for Members electing Employee plus one dependent coverage; or~~
- ~~(3) — \$1,563.67 per month for Members electing Employee plus two or more dependents coverage.~~

~~The Medical Allowance will be made available through the Cafeteria Plan. Subject to the limitations set forth below, the Medical Difference if any, may be allocated toward the purchase of other Cafeteria Plan benefits or may be taken as a taxable cash payment, in accordance with the terms of the Cafeteria Plan. The maximum Medical Difference to which an employee is entitled shall be \$950.00 per month. If a Member enrolls in a health plan that costs more than the Medical Allowance, he or she will be responsible for payment of any premium in excess of the Medical Allowance.~~

~~As used in this subsection (b), "Fifth Benefit Year" shall mean the calendar year during which:~~

~~(i) a Member who does **not** qualify for the designation of a Classic CalPERS member completes five (5) full years of employment as a full-time sworn firefighter with the City; or~~
~~(ii) a Member who qualifies for the designation of a Classic CalPERS member completes five (5) full years of combined employment as a full-time sworn firefighter with the City and/or one or more other organizations. By way of example, if a Member who has not previously worked as a sworn firefighter for another organization and does not qualify for the designation of a Classic CalPERS member is first hired by the City as a full-time sworn firefighter in July of 2018, the Member's Fifth Benefit Year would be calendar year 2023 (assuming continuous employment). Accordingly, the Member would be eligible to utilize the Medical Allowance calculated in this subsection (b) above when the City's open enrollment occurs in 2022 for calendar year 2023. Members with combined employment with another agency who qualify for the designation of a Classic CalPERS member shall receive a full month's credit for each month, or portion thereof, worked as a sworn firefighter for the other agency. By way of additional example, therefore, if a Member who qualifies for the designation of a Classic CalPERS member and has previously worked thirteen (13) months as a sworn firefighter for another organization is first hired by the City as a full-time sworn firefighter in July of 2018, the Member's Fifth Benefit Year would be calendar year 2022 (assuming continuous employment). Accordingly, the Member would be eligible to utilize the Medical Allowance calculated in this subsection (b) when the City's open enrollment occurs in 2021 for calendar year 2022. In order to get credit for employment with another organization, on or before the Member's initial employment date with the City, the Member must provide verifiable written work history as a full-time sworn firefighter in a previous organization.~~

~~For purposes of this MOU, the term "Base Contribution Rate" shall mean the PEMHCA minimum contribution.~~

4.4.1 Medical Insurance Opt Out:

Eligible Opt-Out Arrangement: Upon providing reasonable evidence of alternative medical insurance coverage as required by the ACA's Eligible Opt-Out Arrangement rules (below), employees shall be entitled to the following dollars in the first two pay periods each month in taxable cash, in lieu of the amount provided in Section 4.4 above:

- (a) \$300.00 (\$600 per month) for Employee + 2 or more dependents
- (b) \$200.00 (\$400 per month) for Employee + 1 dependent
- (c) \$100.00 (\$200 per month) for Employee Only

An employee who opts out will not receive the City's health insurance contribution in Section 4.4, but those employees who satisfy the Eligible Opt-Out Arrangement rules, will receive the amount in Section 4.4.1 (a), (b), or (c), as applicable based on an Employees number of dependents ("Opt-Out Amount"). The employee may choose to allocate any portion of the Opt-Out Amount toward dental and/or vision insurance premiums for enrollment in a City dental and/or vision plan, or take the Opt-Out Amount or any portion thereof in taxable cash. If the employee uses any portion of the Opt-Out Amount toward the City's dental and/or vision insurance, such payment will be pre-tax.

Pursuant to the Affordable Care Act (ACA) Employer Mandate "affordability" determination, an Eligible Opt-Out Arrangement requires the following for employees who opt-out of employer-provided health coverage and receive cash in lieu:

1. Employee must provide reasonable evidence that the employee and each member of the employee's expected tax family (individuals the employee expects to claim personal exemption deduction) have or will have minimum essential coverage (other than coverage in the individual market, whether or not obtained through Covered California) during the period of coverage to which the opt-out arrangement applies;
2. The opt-out payment may not be made if the employer knows or has reason to know that the employee or any other member of the employee's expected tax family does not have or will not have the alternative coverage;
3. The evidence of alternative coverage must be provided every plan year to which the eligible opt-out arrangement applies; and
4. The reasonable evidence will be an attestation signed by the employee, attesting to the above, and must be provided no earlier than a reasonable period of time before each plan year begins.

~~Subject to meeting the requirements set forth below, and in lieu of receiving the Medical Allowance and Medical Difference (if applicable), a Member may elect to receive a monthly allocation to the Cafeteria Plan according to the following schedule, which shall be effective beginning the first full pay period following March 21, 2018:~~

- ~~(a) \$1,000.00 for Employee + 2 or more dependents~~
- ~~(b) \$750.00 for Employee + 1 dependent~~
- ~~(c) \$450.00 for Employee Only~~

~~The amount of the monthly allocation shall be based on the alternative coverage in which the Member is enrolled. Said amount may be allocated toward the purchase of other Cafeteria Plan benefits or may be taken as a taxable cash payment, in accordance with the terms of the Cafeteria Plan. In order to qualify for this election, the Member must meet all of the following requirements:~~

- ~~1. Provide satisfactory written proof of health insurance coverage for the Member and the Member's eligible dependents, if any;~~
- 2.1. An employee who opts out of medical insurance must sSign a waiver of City offered ~~medical~~health insurance coverage and an agreement to hold the City harmless for any consequences, whatsoever, that result from the waiver of City offered ~~medical~~ health insurance coverage; and

3.2. Sign a statement acknowledging that the ~~EmployeeMember~~ and the ~~Employee'sMember's~~ eligible dependents will not be allowed to re-enroll in the health insurance coverage offered by the City until the next open enrollment period, and that re-enrollment will be subject to all conditions imposed by the insurance provider at the time of re-enrollment. However, in the event of a ~~HIPAA or~~ COBRA "qualifying event" such ~~Member~~ would be allowed to re-enroll in health insurance effective the beginning of the following month without having to wait for the next open enrollment period.

If an ~~employee-member~~ who is currently ~~o~~Opting ~~o~~Out fails to make an election for ~~o~~Opt ~~o~~Out during ~~o~~Open ~~e~~Enrollment, the employee will be enrolled in a ~~medicalhealth~~ insurance plan, ~~lowest cost~~ employee only ~~plan~~ coverage, ~~as determined by the City~~. This default allocation shall not be subject to change.