

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.



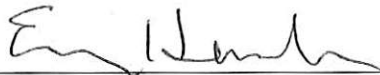

Side Letter Agreement – City Healthcare Program

July 11, 2018

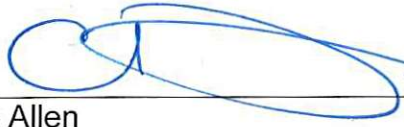

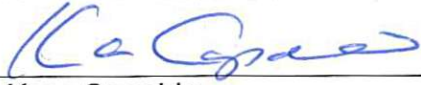
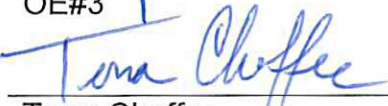
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- b. For part-time benefitted employees at the 62.5% benefit level (regularly scheduled 25-29 hours per week, or 1300-1508 hours per year) and part-time benefitted employees at the 50% benefit level (regularly scheduled 20-24 hours per week, or 1040-1248 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 _____ Date
 _____ Emily Hendon 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 _____ Date
 _____ Kara Capaldo President, CAMP	7-11-18 _____ Date	 _____ Terra Chaffee President, ALP	7/18/18 _____ Date

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 FOR STEVE CONTRERAS 8/7/18

Steve Contreras Date
President, AMSP

 7-18-2018

Frank Crusco Date
Chief Steward, IBEW




Peter Fenerin Date
President, ABMEI

 7/11/18


Bradley Fox Date
President, AEA

 7/23/18

Sean Kaldor Date
President, IAFF

 8/2/18

Paul Kelly Date
President, POA

 7/11/2018

Matt Mason Date
IFPTE Local 21

 7/23/18

Dan Romero Date
IBEW

 7/18/18

LaVerne Washington Date
President, CEO

 7/23/18

Robyn Zamora Date
President, MEF