

RESOLUTION NO. 2022 - 75

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HUNTINGTON BEACH
AMENDING THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY AND
THE HUNTINGTON BEACH FIREFIGHTERS' ASSOCIATION (HBFA) BY ADOPTING
THE SIDE LETTER OF AGREEMENT

WHEREAS, on December 21, 2021, the City Council of Huntington Beach adopted Resolution No. 2021-68 approving the Memorandum of Understanding (MOU) between the City and HBFA through the term ending December 31, 2023; and,

WHEREAS, HBFA desires to amend the provisions of the retiree medical plan administered by the PORAC Retiree Medical Trust as outlined in Article VIII – Health and Other Insurance Benefits, Section J, to contribute the value of their members' unused earned Vacation Leave and Sick Leave banks upon separation from the City to the Trust, and that these changes are at no cost to the City; and,

Subsequent to the adoption of the MOU, the City of Huntington Beach and HBFA has met and conferred and agreed to changes, corrections, and clarifications to the MOU that are reflected in a Side Letter of Agreement attached hereto as Exhibit A and incorporated herein by this reference.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the City Council of the City of Huntington Beach as follows:

1. The Side Letter of Agreement attached hereto as Exhibit A is approved and adopted.
2. The Side Letter of Agreement amends the MOU between the City of Huntington Beach and HBFA.

PASSED AND ADOPTED by the City Council of the City of Huntington Beach at a regular meeting thereof held on the 15th day of November, 2022.

Mayor

REVIEWED AND APPROVED:

APPROVED AS TO FORM:

City Manager

City Attorney

INITIATED AND APPROVED:

B. Mello

Director of Administrative Services

**SIDE LETTER OF AGREEMENT
BETWEEN
THE CITY OF HUNTINGTON BEACH
AND THE
HUNTINGTON BEACH FIREFIGHTERS' ASSOCIATION**

Representatives of Huntington Beach Firefighters' Association (HBFA) and the City of Huntington Beach (City) have negotiated this Side Letter of Agreement to modify the following sections of the HBFA MOU dated July 1, 2021 through December 31, 2023:

ARTICLE VIII – HEALTH AND OTHER INSURANCE BENEFITS

J. Retiree Medical Trust (RMT)

The City authorizes the FMA to participate in a retiree medical plan administered by the PORAC Retiree Medical Trust ("Retiree Medical Trust" or "RMT"), with the following conditions:

3. The City shall withhold \$100.00 per month on a pre-tax basis for each represented employee to participate in the program. The withholding amount could change, and if it does, it shall be in an amount as designated in writing by the FMA and shall be applicable to each employee. Deductions shall be taken on the first two checks of each month.

Participation and contributions are required for every member of the bargaining unit represented by the Association. However, this requirement will not apply to an employee who is entitled to receive full retiree medical coverage due to their service in the United States military (Military Exception).

- ~~9. Upon retirement of an employee, the City shall transfer to the Trust, an amount equal to the employee's payout outlined in the City of Huntington Beach Separation Agreement and General Release. The City shall contribute the monies on a pre-tax basis. The monies contributed to the Trust fund shall only be used for retiree health insurance premiums or health care services expenses. There shall be no employee election to take such amount in cash.~~

ARTICLE X – LEAVE BENEFITS

A. Leave with Pay:

1. Vacation – The purpose of annual vacation is to provide a rest period, which will enable each employee to return to work physically and mentally refreshed. All employees shall be entitled to annual vacation, with pay, in accordance with this Article.

d. Pay-Off at Termination

1. Except as provided in Section A.1.c. of this Article, no employee shall be paid for unused vacation other than upon termination of employment. Any vacation pay off at termination shall be at the regular rate of pay and the accrual rate the employee is earning at the time of separation.
2. Transfer of the Value of Vacation Leave at Separation – At the time of separation, the value of any unused earned Vacation Leave (earned up to the last day of employment) will be transferred to either the employee's deferred compensation account or to the Retiree Medical Trust outlined in Article VIII, Section J, on a pre-tax basis. The value of each hour of Vacation Leave will be the employee's base rate of pay at separation and the accrual rate the employee is earning at the time of separation.

The employee must make the election for the transfer (to either deferred compensation or the Retiree Medical Trust) no later than the pay period prior to the employee's last day of employment. If no election is made, all unused earned Vacation Leave will be transferred to the Retiree Medical Trust upon separation. If the employee elects to place some of the Vacation Leave into their deferred compensation account or reaches the maximum annual deferral into their deferred compensation account, the remaining amount will be transferred to the Retiree Medical Trust.

3. Vacation Leave Pay at Separation for Employees Exempt from the Retiree Medical Trust – Upon separation of employment, employees exempt from the Retiree Medical Trust shall be paid for unused Vacation Leave at their current regular rate of pay for all unused, earned Vacation Leave to which they are entitled up to and including the last day of employment.

2. Sick Leave:

b. Pay-Off at Termination

1. Upon termination for reasons other than for industrial disability retirement, an employee shall have their accrued sick leave paid at the regular rate of pay and the accrual rate the employee is earning at the time of separation. Sick Leave shall be paid (or have paid on their behalf as provided in Article IX.A.3.b) at twenty-five percent (25%) of unused, earned sick leave from four hundred-eighty (480) through seven hundred-twenty (720) hours, and at fifty percent (50%) of all unused, earned sick leave for hours in excess of seven hundred-twenty (720) hours.

Upon termination for industrial disability retirement, an employee shall have their accrued sick leave paid (or have paid on him/her their behalf as provided in Article IX.A.3.b) at the regular rate of pay and the accrual rate

at the time of separation at twenty-five percent (25%) of unused, earned sick leave from zero (0) through four hundred-eighty (480) hours, and at fifty percent (50%) of all unused, earned sick leave in excess of four hundred-eighty (480) hours.

2. Transfer of the Value of Sick Leave at Separation – Upon separation of employment, the value of any unused sick leave, as determined in accordance with sections a-b.1 above, will be transferred to either the employee's deferred compensation account or to the Retiree Medical Trust on a pre-tax basis.
3. Sick Leave Pay at Separation for Employees Exempt from the Retiree Medical Trust – Upon separation of employment, employees exempt from the Retiree Medical Trust shall be paid for unused sick leave in accordance with sections a-b above.

Side Letter Implementation

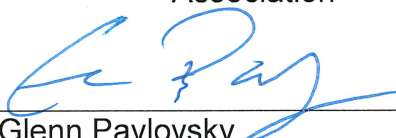
Should the MOU between HBFA and the City of Huntington Beach continue beyond December 31, 2023, either through a successor MOU or an extension of the current MOU, all terms and conditions of this side letter shall remain in full force and effect unless changes are mutually agreed to by both parties.

IN WITNESS WHEREOF, the parties have caused this SIDE LETTER AGREEMENT to be executed by and through their authorized officers on _____.

City of Huntington Beach

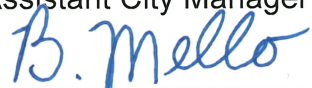
Huntington Beach Firefighters'
Association

By: _____
Al Zelinka
City Manager

By:  _____
Glenn Pavlovsky
President

By: _____
Travis Hopkins
Assistant City Manager

By: _____
Brian Pyle
Secretary

By:  _____
Brittany Mello
Administrative Services
Director

APPROVED AS TO FORM:

Michael Gates 
City Attorney