

Proposed Letter of Agreement

City of Palo Alto and Palo Alto Fire Chief's Association

July 1, 2020 – June 30, 2022



Section I. Introduction and MOA Term Extension

In early 2020, the City of Palo Alto (City) and the Nation were impacted by the COVID-19 health pandemic. Both the City and the Palo Alto Fire Chief's Association (Association) have a mutual interest in extending the current Memorandum of Agreement (MOA) for one (1) additional year with limited changes to the MOA.

Section II. Salary

The Parties agree to defer for one (1) year the previously negotiated wage increase of three percent (3%) which would have taken effect the first full pay period following July 1, 2020. The July 1, 2020 wage increase will now be effective the first full pay period following July 1, 2021.

Section III. Alternative Medical Benefit

The Parties agree to include the "Alternative Medical Benefit Program" allowing eligible employees to waive the City of Palo Alto's medical insurance coverage and receive cash payments in the amount of \$284 for each month the City coverage is waived. Eligibility and requirements are stated below:

If a regular employee and/or the employee's dependent(s) are eligible for and elect to receive medical insurance through any non-City of Palo Alto sponsored or association medical plan, the employee may choose to waive his/her right to the City of Palo Alto's medical insurance coverage and receive cash payments in the amount of two hundred and eighty four dollars (\$284) for each month City coverage is waived.

Examples of waivers eligible for this payment are: Employee waives all applicable City medical coverage; or Employee is eligible to enroll his or her spouse or domestic partner and waives medical coverage for the spouse or domestic partner; or Employee has additional eligible dependents and waives family-level medical coverage.

Participation must result in a health insurance cost savings to the City and payments per employee shall not exceed a total of two hundred eighty four dollars (\$284) per month. To participate in the program the employee and dependents must be eligible for coverage under PEMHCA medical plans, complete a waiver of medical coverage form, and provide proof of eligible alternative medical coverage.

Payments will be made in the employee's paycheck beginning the first month following the employee's completion of the waiver form. Payments are subject to state and federal taxes and are not considered earnings under PERS law. Employees are responsible for notifying the City of any change in status affecting eligibility for this program (for example, life changes affecting dependent's eligibility for medical coverage through the employee) and will be responsible for repayment of amounts paid by the City contrary to the terms of this program due to the employee's failure to notify the City of a change in status.

Section IV. Deferred Compensation and Pension Contributions

The Parties agree to defer for one (1) year the previously negotiated City contribution to 457 Deferred Compensation Plan which would have taken effect the first full pay period following July 1, 2020. The City contributions to eligible employee's 457 Deferred Compensation Plan will now be effective the first full pay period following July 1, 2021.

The Parties agree to defer for one (1) year the previously negotiated increase of additional employee California Public Employees Retirement System contributions which would have taken effect the first full pay period following July 1, 2020. The additional one percent (1%) (for a total of 4%) employee contribution towards the employer share of pension will now be effective the first full pay period following July 1, 2021.

For the Association:

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Ryan Stoddard

6/14/2020

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Battalion Chief Ryan Stoddard, President

For the City:

Rumi Portillo

6/16/2020

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Rumi Portillo, HR Director

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Nicholas Raisch

Nicholas Raisch, Manager Employee Relations

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Toni Anthony

Toni Anthony, Sr. HR Administrator

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Geo Blackshire

Chief Geoffrey Blackshire, Fire Chief

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Molly Stump

Molly Stump, City Attorney

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Ed Shikada

Ed Shikada, City Manager