Operating Engineers, Local No. 3 Union, AFL-CIO

CITY OF CUPERTINO

Side Letter Agreement

SIDE LETTER AGREEMENT TO THE 2019 – 2022 OPERATING ENGINEERS, LOCAL NO. 3 UNION, AFL-CIO MEMORANDUM OF UNDERSTANDING CONCERNING ADOPTION OF IRS SECTION 125 PREMIUM ONLY PLAN

DATE: **April 20, 2021**

The City of Cupertino ("City") and the Operating Engineers, Local No. 3 Union, AFL-CIO ("Union") enter into this Side Letter Agreement and hereby agree to amend the existing MOU provisions as follows:

SECTION 12: HEALTH AND WELFARE BENEFITS

The City agrees to make available a plan of comprehensive health and welfare benefits for eligible employees, as well as those provided by the Operating Engineers Health and Welfare Trust Fund for Northern California. Any such benefits program must have the continued approval of the Board of Administration, Public Employees Retirement System. For each participating employee, the City shall contribute toward premium cost the following amount per month during the term of this agreement.

January 1, 2020	City Max Health Contribution	City Max Dental Contribution	City Total Max Contribution
Employee	**848.87**	126.78	975.65
Employee + 1	**1443.09**	126.78	1,569.87
Employee +2	**1876.01**	126.78	2,002.79

January 1, 2021	City Max Health Contribution	City Max Dental Contribution	City Total Max Contribution
Employee	**891.32**	126.78	1,018.10

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Employee +1	**1.515.24**	126.78	1,642.02
Employee +2	**1.969,81**	126.78	2,096.59

January 1, 2022	City Max Health Contribution	City Max Dental Contribution	City Total Max Contribution
Employee	**935.88**	126.78	1,062.66
Employee + 1	**1.591.01**	126.78	1,717.79
Employee +2	**2.068.31**	126.78	2,195.09

City-sponsored health coverage shall be required (consisting of at least the lowest costs employee only health plan) unless the employee meets the requirements to waive coverage. Required contribution amounts exceeding the premium contribution of the City are the responsibility of the employee. The City will no longer pay medical insurance cash back (excess of the monthly premium less the cost of the medical coverage) for any employees.

Effective July 1, 2010, employees that retire or resign from service with the City of Cupertino and who are not eligible for retiree medical benefits, as defined in the summary of benefits, can continue on the Cupertino medical and dental plans provided that they pay the premiums in full.

Dental Coverage: Effective the first month after OE3 ratification and Council adoption of MOU, dental coverage is capped at $2,500.00 per dependent per annual plan year for the term of this contract.

To the extent any City premium contributions or employee out-of-pocket costs for premiums are eligible for pre-tax treatment under Section 125 of the Internal Revenue Code, the City and all participating employees shall pay their respective share of the cost of medical, dental, vision, and short and long term disability insurance through a City-sponsored Section 125 Premium Only Plan (POP). The City reserves the right of selection and administration as to the Section 125 Premium Only Plan (POP).

SECTION 13: INSURANCE

13.1 Long Term Disability

The City shall provide Long Term Disability (LTD) insurance for employees. LTD income protection coverage shall be up to $7,000 of covered monthly salary. Employees may use sick leave and/or vacation leave to supplement lost salary during the 60 day elimination period.

13.2 Life Insurance

The City shall provide life insurance and accidental death and dismemberment coverage for each employee in the amount of five times the annual salary to a maximum benefit of $250,000. Employees may be eligible to purchase additional life insurance subject to the provisions of the insurance policy.

13.3 Vision Care Insurance

The City provides Vision Care Insurance for employees and their dependents at a cost of $14.94 monthly.

Unless otherwise stated, the provisions of this Side Letter Agreement shall supersede any inconsistent or conflicting provisions of the parties' Memorandum of Understanding, effective July 1, 2019 – June 30, 2022 ("MOU"). All other provisions of the parties' MOU shall otherwise remain in full force and effect. This Side Letter Agreement shall only become binding and effective upon the City Council's approval and adoption of this Side Letter Agreement.

The parties further agree that the contents and terms of this Side Letter Agreement shall be incorporated into the successor MOUs unless modified otherwise in successor MOU negotiations, and the terms of this Side Letter Agreement shall remain in force beyond the expiration of the 2019 – 2022 MOU.

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The parties' signatures below signify that they have met and conferred in good faith in accordance with California Government Code Section 3500, *et seq.* Agreed to on this ____th day of April 2021, by the parties' authorized representatives.

For the City		For the Union	
	May 23, 2021	Michael Moore Michael Moore (May 21, 2021 14:59 PDT)	May 21, 2021
Christopher Boucher	Date	Michael Moore	Date

2021-04-20 Final CEA Side Letter Agreement

Final Audit Report 2021-05-24

Created:	2021-05-07
By:	Vanessa Guerra (VanessaG@cupertino.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAASRH0-4aXm2l81Kf_YIPcB5maZn2xHiNT

"2021-04-20 Final CEA Side Letter Agreement" History

Document created by Vanessa Guerra (VanessaG@cupertino.org)
2021-05-07 - 6:36:01 PM GMT- IP address: 108.213.70.66

Document emailed to Michael Moore (mmoore@oe3.org) for signature
2021-05-07 - 6:38:22 PM GMT

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Email viewed by Michael Moore (mmoore@oe3.org)
2021-05-21 - 6:56:38 PM GMT- IP address: 174.194.143.32

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2021-05-21 - 9:59:34 PM GMT

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2021-05-22 - 1:47:33 AM GMT- IP address: 24.6.57.154

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2021-05-22 - 1:49:00 AM GMT

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2021-05-22 - 3:35:50 PM GMT- IP address: 207.246.66.17

Document e-signed by Christopher Boucher (christopher@boucher.law)
Signature Date: 2021-05-24 - 0:59:49 AM GMT - Time Source: server- IP address: 143.110.156.249

Adobe Sign

Agreement completed.

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Adobe Sign