

**HOUSING AUTHORITY of the COUNTY OF CONTRA COSTA
and
PUBLIC EMPLOYEES UNION LOCAL #1**

SIDE LETTER OF AGREEMENT

CHANGE TO CALPERS MEDICAL PLAN

MAINTENANCE UNIT

PURPOSE

The purpose of this Side Letter is to revise the current Memorandum of Understanding between the parties by changing the medical plans provided by the Employer for bargaining unit members.

REVISED TERMS and CONDITIONS

This Side Letter supersedes the current Memorandum of Understanding (MOU) terms and conditions referenced below that provide for medical benefits for bargaining unit members:

1. Section 23.1 Benefits – Listing of health plans provided by the Employer.
2. Section 23.6 Contribution Rates – Provides for the maximum employer contributions for to employee medical and dental plan coverage.
3. Section 23.7 Change in Plans – Requirement that change to medical and or dental benefit plans only by mutual agreement of the parties.
4. Section 23.9 Health Benefits Labor-Management Committee – Established a labor-management committee to explore reducing the cost of medical plan coverage without a reduction in the benefits. Also, provides for a MOU re-opener no later than February 1, 2015 to bargain over the Authority's contribution for the remainder of the calendar year.
5. Section 39 Health Benefits Reopener – Provides for the February 1, 2015 reopener as described in Section 23.9.

DURATION

This Side Letter shall run concurrently with the MOU Term effective January 1, 2013 through December 31, 2015.

SUPERSEDING TERMS AND CONDITIONS

Section 23. Benefits

23.1 The Employer will provide the following benefits:

1. Medical insurance

Effective Date: As soon as administratively possible, the Authority will contract with the California Public Employees Retirement System Health Benefit Program ("CalPERS") to provide medical insurance for all active employees. The Authority shall pay the required minimum premium cost to CalPERS on behalf of each active employee.

Change in Plans: In the event CalPERS makes unilateral changes to the providers and/or plans, the Authority will provide notice to the employees of those changes in addition to any notice provided by CalPERS.

- 2) Delta Dental Plan
- 3) Life, accidental death and disability insurance: Life insurance is Fifteen Thousand Dollars (\$15,000.00).
- 4) I.R.C. 125 Plan (Flex Spending Plan): Allows employees to elect to deduct child care costs and unreimbursed medical costs from pay on a pre-tax basis in accordance with the plan provisions and applicable law.

23.6 **Contribution Rates**

The Authority shall contribute the following maximum amounts per month for the purpose of providing the medical and dental benefits in this Section. If the maximum amount is not sufficient to provide such benefits, any excess amount necessary shall be paid for by the employee through payroll deduction:

The Authority will pay increases to the medical and the dental premiums so long as the maximum employer monthly contribution does not exceed the amounts listed below.

(Employer Maximum Contribution)	
Employee Only	\$345.00
Employee +1	\$679.00
Employee +2	\$980.00

23.7 **Change in Plans**

The right to change medical and/or dental plan contents and providers during the term of the Agreement in an effort to provide comparable benefits at reduced costs shall be by agreement by both parties.

23.9 **~~Health Benefits Labor Management Committee~~**

~~The parties shall create a labor-management committee, whose task will be to explore alternatives to the Authority purchasing health insurance directly, so as to reduce cost without reducing benefits. Each party shall appoint four (4) representatives to the committee. The committee shall begin meeting within 30 calendar days of the adoption of the MOU by the Board of Commissioners.~~

~~The parties shall commence Meet & Confer no later than September 1, 2014, to discuss the Committee's cost savings recommendations and to implement any agreed upon changes to the Health Plans to become effective January 1, 2015.~~

~~The Parties shall open the MOU no later than February 1, 2015 to bargain over the amount of the Authority's contribution for the remainder of the calendar year 2015. The Authority shall not propose reducing the dollar amount it pays and will not unilaterally implement a reduction in the amount it pays for health care.~~

~~Section 39. Health Benefits Reopener~~

~~—— The parties shall open this MOU no later than February 1, 2015 to bargain over the amount of the Authority's health benefits contribution for the remainder of the calendar year 2015. The parameters of the re-opener shall be as identified in the Health Benefits Section of this MOU establishing the Health Benefits Labor-Management Committee.~~

PUBLIC EMPLOYEES UNION,
LOCAL #1

By _____
Lavelle Nichols

By _____
Davey Carter

By _____
Mack Nasseh

By _____
Dennis Dugan
Business Agent

HOUSING AUTHORITY OF THE
COUNTY OF CONTRA COSTA

By _____
Joseph Villarreal
Executive Director

By _____
Frances Trant
Human Resources Director

By _____
Cynthia Simpson
Director of General Services

By _____
Elizabeth Campbell
Director of Asset Management

By _____
Ingrid Layne
Housing Assistance Manager

By _____
Judy Hayes
Administrative Services Officer

By _____
M. Fran Buchanan
Agency Negotiator

Dated this _____ day of _____ 2015