

LETTER AGREEMENT

LETTER AGREEMENT BETWEEN THE CITY OF CHICO AND PUBLIC SAFETY MANAGEMENT (PSM) EMPLOYEES REGARDING CORRECTION OF APPENDIX "2" ENTITLED, "HEALTH INSURANCE CARRIERS AND CONTRIBUTIONS"

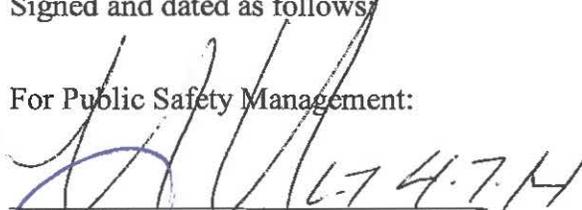
Pursuant to Subarticle 1.5, entitled "Letter Agreement for Variation of Provisions" of the "Resolution Providing for Pay, Benefits and Other Terms and Conditions of Employment for Public Safety Management Positions (2014 Public Safety Management Employees Pay and Benefits Resolution), the City of Chico (City) and Public Safety Management Employees (PSM) enter into this Letter Agreement in order to correct a clerical error in the contributions for insurance rates.

Therefore, the City and PSM agree as follows:

1. Effective January 1, 2014, through December 31, 2015, the attached Appendix "2" of the 2014 Public Safety Management Employees Pay and Benefits Resolution shall replace the current Appendix "2."
2. Any amendments or modifications to this Letter Agreement shall be in writing, signed and dated by both parties.
3. All other terms, conditions, provisions and requirements of the Resolution shall remain in full force and effect.

Signed and dated as follows:

For Public Safety Management:


Mike O'Brien
RSM Representative

6-7-14
(Date)


Shane Lauderdale
PSM Representative

(Date)

For the City of Chico:


Brian S. Nakamura
City Manager

(Date)

Approved as to Form:


Lori J. Barker, City Attorney (Date)

**RESOLUTION PROVIDING FOR PAY, BENEFITS AND OTHER TERMS AND
CONDITIONS OF EMPLOYMENT FOR PUBLIC SAFETY MANAGEMENT POSITIONS
(2014 PUBLIC SAFETY MANAGEMENT EMPLOYEES PAY AND BENEFITS RESOLUTION)**

APPENDIX "2"

HEALTH INSURANCE CARRIERS AND CONTRIBUTIONS

I. CARRIERS

Employees shall be covered by the medical and dental insurance carriers on file with the Human Resources and Risk Management Office.

II. CITY CONTRIBUTIONS

The City and Employees shall each contribute toward the monthly premium rate for City's employee group health and dental insurance plans, as set forth below. The amount of the Employee's contribution shall vary based on the medical plan selected by the Management Employee. The allocation of any future rate increases between the City and Employee contributions shall be determined through future agreement between City and Union.

Effective January 1, 2014:

A. Fire Management Employees

MEDICAL					
City Contribution					
	EPO	PPO 90/10	PPO 80/20	HDHP	HSA
Single	501.00	327.29	371.18	374.00	78.14
Double	1080.00	692.21	787.94	797.00	125.02
Family	1385.13	901.03	1023.12	1026.00	156.27
Employee Contribution					
	EPO	PPO 90/10	PPO 80/20	HDHP	HSA
Single	79.00	252.71	163.82	0.00	---
Double	154.00	540.79	349.06	0.00	---
Family	203.87	686.97	442.88	0.00	---
DENTAL			VISION		
City Contribution					
Single		62.03			5.40
Double		62.03			5.40
Family		62.03			5.40
Employee Contribution					
Single		20.67			0.00
Double		20.67			5.41
Family		20.67			8.75

B. Police Management Employees

MEDICAL					
City Contribution					
	<u>EPO</u>	<u>PPO 90/10</u>	<u>PPO 80/20</u>	<u>HDHP</u>	<u>HSA</u>
<u>Single</u>	<u>501.00</u>	<u>327.29</u>	<u>371.18</u>	<u>374.00</u>	<u>78.14</u>
<u>Double</u>	<u>1080.00</u>	<u>692.21</u>	<u>787.94</u>	<u>797.00</u>	<u>125.02</u>
<u>Family</u>	<u>1385.13</u>	<u>901.03</u>	<u>1023.12</u>	<u>1026.00</u>	<u>156.27</u>
Employee Contribution					
	<u>EPO</u>	<u>PPO 90/10</u>	<u>PPO 80/20</u>	<u>HDHP</u>	<u>HSA</u>
<u>Single</u>	<u>79.00</u>	<u>252.71</u>	<u>163.82</u>	<u>0.00</u>	<u>---</u>
<u>Double</u>	<u>154.00</u>	<u>540.79</u>	<u>349.06</u>	<u>0.00</u>	<u>---</u>
<u>Family</u>	<u>203.87</u>	<u>686.97</u>	<u>442.88</u>	<u>0.00</u>	<u>---</u>
DENTAL			VISION		
City Contribution					
<u>Single</u>		<u>0.00</u>			<u>0.00</u>
<u>Double</u>		<u>0.00</u>			<u>0.00</u>
<u>Family</u>		<u>0.00</u>			<u>0.00</u>
Employee Contribution					
<u>Single</u>		<u>82.70</u>			<u>5.40</u>
<u>Double</u>		<u>82.70</u>			<u>10.81</u>
<u>Family</u>		<u>82.70</u>			<u>14.15</u>

III. EMPLOYEES NOT REQUIRED TO PARTICIPATE IN CITY'S INSURANCE PLAN.

Management Employees who have alternative group medical insurance coverage shall not be required to participate in City's medical insurance plan. Management Employees shall provide verification of such alternative coverage to the Human Resources & Risk Management Office during the open enrollment period. Such employees shall continue to provide verification during the open enrollment period in all subsequent years that Management Employees choose to opt out of City's medical insurance plan. Management Employees who opt out of City's medical insurance plan shall receive a payment of \$100.00 per month into:

- a. The Management Employee's Medical Flexible Spending Account established with the City's Section 125 Plan; or
- b. The Management Employee's City deferred compensation account.

Management Employees who lose their alternative coverage shall be allowed to immediately enroll in City's medical insurance plan, and shall no longer receive the \$100.00 per month payment.