

LETTER AGREEMENT

LETTER AGREEMENT BETWEEN CITY OF CHICO AND SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 1021 – TRADES AND CRAFTS UNIT REGARDING THE CALCULATION OF MEDICAL BENEFIT PREMIUMS

Pursuant to Subarticle 1.6, entitled "Letter Agreement for Variation of Provisions" of the Memorandum of Understanding between the City of Chico and Service Employees International Union, Local 1021 – Trades and Crafts Unit Regarding Pay, Hours and Other Terms and Conditions of Employment for the Period of January 1, 2014 through December 31, 2016 (2014 MOU-SEIU-TC)," the City of Chico (City) and Service Employees International Union – Trades and Crafts Unit (Union) enter into this Letter Agreement in recognition of City's and Union's agreement to maintain City's budget reduction goals during the current negotiations process.

Therefore, the City and Union agree as follows:

1. Effective January 1, 2014 through December 31, 2016, Union and City agree that the medical insurance premiums, as addressed in Article 6.2, INSURANCE and Exhibit D, MEDICAL, DENTAL, AND VISION ISNURANCE CARRIERS AND CONTRIBUTIONS, shall be calculated pursuant to a percentage based formula, as noted in the attached Table, Appendix A.
2. Any amendments or modifications to this Letter Agreement shall be in writing, signed and dated by both parties.
3. This Letter Agreement is effective January 1, 2014 through December 31, 2016.
4. All other terms, conditions, provisions and requirements of the 2012 MOU – SEIU – TC shall remain in full force and effect.

Signed and dated as follows:

For SEIU-TC:

Bob Collier 7-27-15
Bob Collier, Representative (Date)

UNKNOWN 7-28-15
UNKNOWN, Representative (Date)

Chris Bolshazy 7/29/2015
Chris Bolshazy, Local 1021 (Date)

For the City of Chico:

Mark Orme 8/17/15
Mark Orme (Date)
City Manager

Approved as to Form:

Vince C. Ewing 8/5/15
Vince C. Ewing (Date)
City Attorney

APPENDIX A

SIDE LETTER AGREEMENT REGARDING MEDICAL BENEFIT PREMIUMS

Effective January 1, 2014

City of Chico Contribution Amounts					Employee Contribution Amounts				
	EPO	90/10	80/20	HDHP		EPO	90/10	80/20	HDHP
EE Only	86.38%	56.43%	69.38%	100.00%	EE Only	13.62%	43.57%	30.62%	0.00%
EE + 1	87.52%	56.14%	69.30%	100.00%	EE + 1	12.48%	43.86%	30.70%	0.00%
Family	87.17%	56.74%	69.79%	100.00%	Family	12.83%	43.26%	30.21%	0.00%

Premium Rates Effective January 1, 2015

ACTIVE EMPLOYEES - CEA, CNF, MGT, PSM*, SEIU, Local 39													
<i>Medical Insurance Rates (CSAC/Anthem Blue Cross)</i>													
	TOTAL MONTHLY PREMIUM				CITY CONTRIBUTION					EMPLOYEE CONTRIBUTION			
	EPO	PPO 90/10	PPO 80/20	HDHP	EPO	PPO 90/10	PPO 80/20	HDHP	HSA	EPO	PPO 90/10	PPO 80/20	HDHP
Employee Only	615.00	615.00	568.00	397.00	531.24	347.04	394.08	397.00	73.38	83.76	267.96	173.92	0.00
Employee +1	1,309.00	1,308.00	1,206.00	846.00	1,145.64	734.31	835.76	846.00	124.96	163.36	573.69	370.24	0.00
Employee +2	1,686.00	1,685.00	1,555.00	1,088.00	1,469.69	956.07	1,085.23	1,088.00	156.27	216.31	728.93	469.77	0.00
<i>Dental Insurance Rates (Delta Dental)*</i>													
Employee Only	78.60	78.60	78.60	78.60	58.95	58.95	58.95	58.95	-	19.65	19.65	19.65	19.65
Employee +1	78.60	78.60	78.60	78.60	58.95	58.95	58.95	58.95	-	19.65	19.65	19.65	19.65
Employee +2	78.60	78.60	78.60	78.60	58.95	58.95	58.95	58.95	-	19.65	19.65	19.65	19.65
<i>Vision Insurance Rates (VSP)</i>													
Employee Only	5.40	5.40	5.40	5.40	5.40	5.40	5.40	5.40	-	0.00	0.00	0.00	0.00
Employee +1	10.81	10.81	10.81	10.81	5.40	5.40	5.40	5.40	-	5.41	5.41	5.41	5.41
Employee +2	14.15	14.15	14.15	14.15	5.40	5.40	5.40	5.40	-	8.75	8.75	8.75	8.75
<i>Total Contributions</i>													
Employee Only	699.00	699.00	652.00	481.00	595.59	411.39	458.43	461.35	73.38	103.41	287.61	193.57	19.65
Employee +1	1,398.41	1,397.41	1,295.41	935.41	1,209.99	798.66	900.11	910.35	124.96	188.42	598.75	395.30	25.06
Employee +2	1,778.75	1,777.75	1,647.75	1,180.75	1,534.04	1,020.42	1,149.58	1,152.35	156.27	244.71	757.33	498.17	28.40

* Police PSM pay the full dental insurance premium.