



# CITY OF REDDING

## PERSONNEL DEPARTMENT

PERSONNEL . RISK MANAGEMENT . VOLUNTEER SERVICES

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April 25, 2013  
P-100-050-050

Ryan Nardo, President  
International Association of Fire Fighters, Local 1934  
P.O. Box 991118  
Redding, CA 96099-1118

Subject: Side Letter of Agreement to MOU between City of Redding and International Association of Fire Fighters – Retiree Health Benefits

Dear Ryan:

This letter is to confirm the agreement reached between the City of Redding and the International Association of Fire Fighters (IAFF) regarding retiree health benefits as outlined in Article 21: Employee Group Health and Welfare Benefit Programs, Section 21.3.

Article 21, Section 21.3, 3rd paragraph states, "Dependent upon the outcome of pending litigation, the retiree premium co-share for existing employees, those hired prior to City Council approval of this contract, could revert back to the previous retiree premium co-share amount of fifty percent (50%). In that event, the contract would be re-opened to negotiate retiree premium co-shares for new hires."

The City of Redding recently settled litigation with IBEW regarding retiree health benefits. To that end, the City and IAFF acknowledge that the City's intent is to address retiree health in a consistent manner for each of the City's bargaining units. Therefore, the City and IAFF agree to the following Memorandum of Understanding (MOU) language modification indicated in strike out and underlining for Article 21, Section 21.3, "All active employees hired prior to October 1, 2011, who retire from the City and are eligible for CalPERS benefits upon separation of service shall be eligible for the City to pay a fifty percent (50%) proportionate share of costs of the insurance premium should the retiring employee elect to participate in the group health, dental and vision plan also made available to active employees. To initially qualify for the benefit, the employee must go directly from active status to retiree status with CalPERS. To maintain a qualified status and to continue to receive the benefit, the retired employee must continue the group medical insurance during retirement without a break in coverage. Payments by the City will be discontinued upon termination of group medical insurance coverage by the City retiree or loss of qualified status by the retiree. Following the death of a retiree, the surviving spouse, if any, may continue the insurance and the City will continue the benefit on the same terms and conditions for the life of the surviving spouse.

All active employees who retire hired on or after October 1, 2011, who retire from the City with five (5) or more years of City service (and eligible for CalPERS benefits upon separation of service) shall be eligible for the City to pay a proportionate share of costs of the

Side Letter with IAFF

April 25, 2013

Page 2

insurance premium should the retiring employee elect to participate in any group health, dental, and vision plan also made available to active employees. To initially qualify for the benefit, the employee must go directly from active status to retiree status with CalPERS and continue the group medical insurance without a break in coverage. To maintain a qualified status, and to continue to receive the benefit, the retired employee, and their covered spouses who reach Medicare A/B eligibility age must enroll in Medicare. For those retirees who qualify, the City shall pay a proportionate share of the cost of the insurance premiums in accordance with the following formula: 2% for every year of service with the City of Redding up to a maximum of 50%. Years of service include all Full Time Limited Term (Apprentice Firefighter) employment, regardless of break in service until regular employee status occurs. Payments by the City will be discontinued upon termination of group medical insurance coverage by the City retiree or loss of qualified status by the retiree. The City will not contribute payments on behalf of any retiree except as set forth above. Following the death of a retiree the surviving spouse, if any, may continue the insurance and the City will continue the benefit on the same terms and conditions for the life of the surviving spouse.

Retiring employees who were hired or worked under a different Memorandum of Understanding (MOU) or City Resolution shall be vested with the greatest retiree premium co-share formula in effect and for which that employee qualified for during his or her term of employment.

Beginning Calendar Year 2013, the City will offer two health plans, a "Base Plan" and an optional "Premium Plan". All retired employees participating in the group health plan will be enrolled in the "Base Plan" and will have the option on a voluntary basis to enroll in the "Premium Plan" initially, and during the open enrollment period for each subsequent calendar year. Changes will be effective at the beginning of the following calendar year. The City shall pay a proportionate share of the cost of the "Base Plan" insurance premiums as outlined above. Participating retired employees electing to enroll in the "Premium Plan" will be responsible for premiums beyond the City's contribution of the "Base Plan" composite rate."

If the Union concurs with the foregoing, please sign and date the enclosed copies of this letter, return one to me, and keep the other copy for your records.

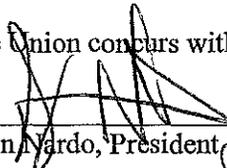
Sincerely,

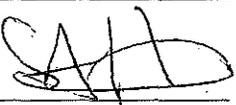


Sheri DeMaagd  
Personnel Director

Side Letter with IAFF  
April 25, 2013  
Page 3

The Union concurs with the above:

  
\_\_\_\_\_  
Ryan Nardo, President

  
\_\_\_\_\_  
Steve Allen, Labor Representative

06/24/2013  
Date

8-6-13  
Date

c: Kurt Starman, City Manager  
Rick Duvernay, City Attorney  
Kevin Kreitman, Fire Chief  
Bill Avery, Negotiator  
Steve Allen, Labor Negotiator