

## **GILROY POLICE OFFICERS ASSOCIATION (GPOA)**

### **MOU SIDE LETTER AGREEMENT**

**September 30, 2021**

This side letter is an amendment to the current Gilroy Police Officers Association (GPOA) MOU and Supplemental Agreement currently in effect. The parties have agreed to amend the below section of the MOU/Supplemental Agreement as follows effective October 1, 2021 (edits shown in track changes).

#### **Retiree Medical Trust**

MOU Article IV, Section O shall be amended as follows:

1. The Association intends to join the PORAC Retiree Medical Trust (Trust), the sole purpose of which is to provide funding for medical expenses and health insurance costs for eligible retirees or qualified family members of eligible retirees as established by the Trust. Participation in the Trust shall be the complete and sole responsibility of the Association. The City shall not have any involvement in the Trust's design, its administration, or in the benefits paid; nor shall the City have any responsibility for any actions of the Trust or its trustees or of Association with respect to the Trust. The Association will indemnify, defend and hold harmless the City, its agents, officers, and employees, against any and all claims or legal proceedings regarding the operation of the Trust.
2. In lieu of continuing the additional personal leave hours in section VI. J, effective July 1, 2018 and for the term of this agreement, City will contribute \$150 per month on behalf of each bargaining unit member, in one aggregate check, to the Trust, which will include a report on the employees covered by the aggregate contribution.

Effective July 1, 2022 through June 30, 2023, City will contribute \$225 per month on behalf of each bargaining unit member, in one aggregate check, to the Trust, which will include a report on the employees covered by the aggregate contribution. Effective July 1, 2023 through June 30, 2024, City will contribute \$300 per month on behalf of each bargaining unit member, in one aggregate check, to the Trust, which will include a report on the employees covered by the aggregate contribution. Effective June 30, 2024, this paragraph will sunset and the City contribution will revert to \$150 per month as described above.

3. The Association shall have the option, during the life of this agreement, to establish a mandatory employee contribution to the Trust including, but not limited to, an active employee contribution and/or a percentage of accrued vacation at retirement. The Association will notify the City at least thirty (30) days prior to the beginning of any mandatory employee contributions, and the City will transfer that amount to the Trust in one aggregate check. Future changes to the mandatory employee contribution amount will occur at the start of a calendar year and POA will notify the Human Resources Department of the new contribution rate at least thirty (30) days prior to changing the mandatory employee contributions.

Employee Contribution: Beginning with the payroll cycle following the establishment of the Retiree Medical Trust, the City shall deduct, on a pre-tax basis, from each covered employee's payroll \$150.00 per month to the Trust. Effective July 1, 2022 through June 30, 2023, the City shall deduct, on a pre-tax basis, from each covered employee's payroll \$75.00 per month to the





Trust. Effective July 1, 2023 through June 30, 2024, employees will not make a monthly pre-tax contribution to the trust.

- a. No employee election forms will be allowed or requested and there is no option for the employee to receive these funds in cash. This employee contribution amount may change in future calendar years following the procedure noted in 3. above.
- b. Vacation Cash Out: Effective October 1, 2021, Upon a covered employee’s separation from City of Gilroy employment, one hundred ~~twenty~~-percent (2100~~2100~~%) of the dollar amount of the employee’s vacation cash out shall be deducted on a pre-tax basis and transferred to the Trust. There is no option for the employee to receive the one hundred ~~twenty~~-percent (2100~~2100~~%) portion of the vacation cash out in cash. The percentage amount noted above may change in future calendar years following the procedure noted in 3. above.

4. The parties recognize the complexity of maintaining both the Trust and the Retention/Recognition Program and agree that successor MOU negotiations will include negotiations over continued contributions to the Trust and the potential transition from the Retention/Recognition Program to the Trust.

**Existing MOU.**

All other terms of the Memorandum of Understanding remain in full force and effect.

<b><u>For the City of Gilroy:</u></b> <u>Signature/Date</u>	<b><u>For the Gilroy Police Officers Association:</u></b> <u>Signature/Date</u>
<p>DocuSigned by:   9/30/2021  <small>CC6458EF9B054DC...</small>                      Jimmy Forbis, City Administrator</p>	<p>DocuSigned by:   9/29/2021  <small>91A192CF01404BD...</small>                      Christopher Silva, GPOA President</p>
<p>DocuSigned by:   9/30/2021  <small>805AA27854AF40B...</small>                      LeeAnn McPhillips, Administrative Services &amp; Human Resources Director/Risk Manager</p>	<p>DocuSigned by:   9/29/2021  <small>FG725F7B2A9842C...</small>                      Brian Dutton, GPOA Treasurer</p>