

**Side Letter of Agreement
Between the City of Palmdale
and the California Teamsters Local 911
June 16, 2020**

Pursuant to the provisions of the Meyers-Milias-Brown Act ("MMBA") and the Memorandum of Understanding between the City of Palmdale ("City") and California Teamsters Local 911 ("Union") effective July 1, 2017 through June 30, 2021 ("MOU"), this Side Letter of Agreement is entered into on June 16, 2020, between the City and the Union ("Side Letter Agreement") as an amendment to the MOU. The City and the Union are collectively referred to herein as the "parties." It is understood and agreed that the specific provisions contained in this Side Letter Agreement shall supersede any previous agreements, whether oral and written, regarding the matters contained herein. Except as provided herein, all wages, hours and other terms and conditions of employment presently enjoyed by the Union in the MOU shall remain in full force and effect.

The Parties agreed to meet and confer in good faith over the matters addressed in this Side Letter of Agreement, and, having now done so, agree to the following:

Section 2.01 Wages of the MOU shall be amended as follows:

Section 2.01 Wages

Effective the first day of the first full pay period following July 1, 2017, employees will receive a 2% wage increase (increase to base salary), and the resulting salary ranges for the classes covered by this MOU are listed in Exhibit A.

Effective the first day of the first full pay period following July 1, 2018, employees will receive a 2% wage increase (increase to base salary).

Effective the first day of the first full pay period following July 1, 2019, employees will receive a 2% wage increase (increase to base salary).

The parties agree that there shall be no wage increase for fiscal year 2020.

The parties agree that the wage increase for fiscal year 2020 will be paid in the last pay period of June 2021.

During the term of this Agreement, if the City approves a salary increase that is greater than 2% for unrepresented employees in the classified service, employees in the classes covered by this MOU will receive the same additional salary increase on the same effective date. For example, if unrepresented classified service employees receive a 2.3% increase effective August 4, 2018, employees in the classes covered by this MOU will receive an additional 0.3% increase effective August 4, 2018.

Employees will receive a one-time payment of \$700, which will not be reported to CalPERS, in the first full pay period of August 2017.

Employees will receive a one-time payment of \$1,000, which will not be reported to CalPERS, in the first full pay period of July 2020.

The parties are currently engaged in a classification study, which may also include a compensation study. The details of this process is memorialized in Exhibit B to this MOU.

Section 3.01.A Medical Insurance of the MOU shall be amended as follows:

Section 3.01 Health Insurance Programs

Health care is provided to employees, including probationary employees. Employee's coverage is effective on the first of the month following 30 days of active employment.

A. Medical Insurance

Since 2015, employees have not had to contribute towards any increases in health insurance costs, and the costs have been fully absorbed by the City.

Wellness Plan Participation - Self-Insured Rate - 2017

| HRA Plan | Employee Paid | HRA Contribution | Wellness Credit |
|-----------------|----------------------|-------------------------|------------------------|
| Employee Only | \$6.12 | \$1,000 annually | \$1,200 annually |
| Employee + 1 | \$14.36 | \$2,000 annually | \$1,500 annually |
| Family | \$17.76 | \$2,000 annually | n/a |
| PPO Plan | | | |
| Employee Only | \$58.32 | n/a | n/a |
| Employee + 1 | \$118.31 | n/a | n/a |
| Family | \$272.16 | n/a | n/a |

Non-Wellness Plan Participation - Self-Insured Rate - 2017

| HRA Plan | Employee Paid | HRA Contribution |
|-----------------|----------------------|-------------------------|
| Employee Only | \$6.12 | \$1,000 annually |
| Employee + 1 | \$49.36 | \$2,000 annually |
| Family | \$177.76 | \$2,000 annually |
| PPO Plan | | |
| Employee Only | \$108.32 | n/a |
| Employee + 1 | \$298.31 | n/a |
| Family | \$422.16 | n/a |

Kaiser – HRA

| Kaiser HRA | Employee Paid | HRA Contribution |
|-------------------|----------------------|-------------------------|
| Employee Only | \$100 | \$1,000 annually |
| Employee + 1 | \$150 | \$2,000 annually |
| Family | \$300 | \$2,000 annually |

Kaiser – HMO

| Kaiser HMO | Employee Paid |
|-------------------|----------------------|
| Employee Only | \$250 |
| Employee + 1 | \$500 |
| Family | \$750 |

In 2018, any premium increases for the City self-insured plan will be split 50 / 50 by the City and employees.

In 2019, any premium increases for the City self-insured plan will be split 50 / 50 by the City and employees.

In 2020, any premium increase for the City self-insured plan will be split 50 / 50 by the City and employees.

In 2021, any premium increase for the City self-insured plan will be paid entirely by the City.

The Employee Paid portion of monthly Kaiser premiums will be capped at the following:

| | 2018 | 2019 | 2020 |
|-------------------|-------------|-------------|-------------|
| Kaiser HRA | | | |
| EE Only | \$100.00 | \$100.00 | \$100.00 |
| EE + 1 | \$150.00 | \$150.00 | \$150.00 |
| Family | \$300.00 | \$300.00 | \$300.00 |
| Kaiser HMO | | | |
| EE Only | \$250.00 | \$250.00 | \$250.00 |
| EE + 1 | \$500.00 | \$500.00 | \$500.00 |
| Family | \$750.00 | \$750.00 | \$750.00 |

/

/

/

/

/


The employee contribution to health care premiums will be deducted from the employee's paycheck bi-monthly (50% on the first paycheck of the month, the remaining 50% on the second paycheck).

CITY OF PALMDALE

CALIFORNIA TEAMSTERS LOCAL 911

Dated: 6/22/20

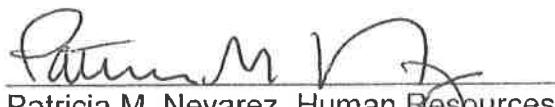
Dated: 6/22/20




J.J. Murphy, ICMA-CM, City Manager



FOR Carlos Rubio, Chief Negotiator



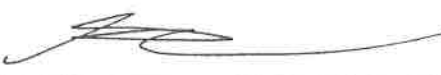
Patricia M. Nevarez, Human Resources Manager



Paul Ewing, Steward



Steve Hofbauer, Mayor



Michael Johnson, Steward




John Nemeth, Steward



Chad Thomas, Steward

7/17/2020
Date

Attest:


Rebecca J. Smith
City Clerk

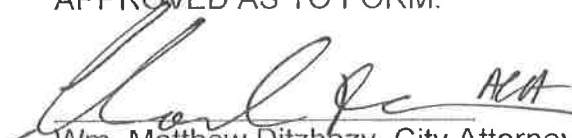


Jose Otero, Steward



Paul Wood, Steward

APPROVED AS TO FORM:



Wm. Matthew Ditzhazy, City Attorney