

**MEMORANDUM OF UNDERSTANDING EXTENSION  
BETWEEN  
THE CITY OF SAN FERNANDO  
AND  
SAN FERNANDO PUBLIC EMPLOYEES' ASSOCIATION/  
SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 721**

This side letter of agreement is by and between the CITY OF SAN FERNANDO ("City") and the SAN FERNANDO PUBLIC EMPLOYEES' ASSOCIATION ("SFPEA")/SERVICE EMPLOYEES INTERNATIONAL UNION (SEIU) LOCAL 721 (collectively "Both Parties"), and is entered into with respect to the following:

**WHEREAS**, City and SFPEA have previously entered into a Memorandum of Understanding ("MOU") covering the period July 1, 2009 through June 30, 2012, which subsequently was extended by agreement to expire June 30, 2017; and

**WHEREAS**, the parties met and conferred concerning the re-opener provisions contained in Article 6.07 of the existing MOU.

**NOW, THEREFORE**, the Parties agree as follows:

1. Article 2.02 – Medical Insurance for Retirees

Effective upon approval of the necessary Resolution(s) by CalPERS, the City will create a three (3) tier structure for retiree medical insurance. The City will adopt a Resolution to implement a ten (10) year retiree medical insurance vesting schedule, pursuant to the provisions of California Government Code Section 22893.

1. Retiree Medical Tier I: Employees retired on or before June 30, 2015:
  - a. If retired on or before December 31, 2012, 100% paid medical insurance benefits for employees and eligible dependents.
  - b. If retired on or after January 1, 2013, 100% paid medical insurance for employee and eligible dependents, excluding PERS Care plan, if the most expensive.
2. Retiree Medical Tier II: Employees hired on or before June 30, 2015 and retire on or after July 1, 2015:
  - a. If the employee meets the vesting schedule set forth in California Government Code Section 22893, 100% paid medical insurance benefits for whatever plan is selected by the employee for himself and eligible dependents, except PERS Care, if the most expensive.

3. Retiree Medical Tier III: Employees hired on or after July 1, 2015:
  - a. If the employee meets the vesting schedule set forth in California Government Code Section 22893, PEMHCA minimum (currently \$122 per month for 2015).
  - b. Unit employees that are in Retiree Medical Tier III will receive a contribution from the City of \$50 per month into a Retiree Medical Trust (RMT) or Retiree Health Savings (RHS) Plan, whichever is designated by the City. Any unit member may elect to contribute an additional amount to the RMT or RHS, at its option. The City will work to implement a RMT or RHS prior to June 30, 2016.

2. Article 3.02 – Employer Paid Member Contributions

Effective August 1, 2015, the City shall pay 6.0% for First Tier CalPERS members and 5.5% for Second Tier CalPERS members toward the employee’s required CalPERS contribution.

3. Article 6.01 – Salary

Effective on the first day of the pay period including August 1, 2015, the base salary for each represented unit classification shall be increased by one percent (1.0%).

“Base Salary” means the salary classification, range, and step to which an employee is assigned. It excludes any additional allowances, special pays and non-cash benefits.

Dated: September 21, 2015

**(SIGNATURE PAGE TO FOLLOW)**

FOR CITY OF SAN FERNANDO:

Brian Saeki 10-1-2015  
Date  
City Manager

Chris Marcarello 9/22/15  
Date  
Deputy City Manager/P.W. Director

Nick Kimball 10/1/15  
Date  
Finance Director

FOR SFPEA/SEIU LOCAL 721:

Frank Villalpando 10/1/2015  
Date  
President/Bargaining Team

George Saldivar 10/1/15  
Date  
Vice President/Chief Negotiator

Richard De La Pena 10-1-15  
Date  
Sergeant of Arms/Bargaining Team

Joe Goss 9/25/15  
Date  
Bargaining Team

Rodrigo Mora 10/6/15  
Date  
Bargaining Team

Francisco Villalva 9/29/15  
Date  
Bargaining Team

Renee Anderson 9-28-15  
Date  
SEIU Local 721/SFPEA Representative