

RESOLUTION NO. 2023-34

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HUNTINGTON BEACH  
AMENDING THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY AND  
THE HUNTINGTON BEACH MANAGEMENT EMPLOYEES' ORGANIZATION (MEO)  
BY ADOPTING THE SIDE LETTER OF AGREEMENT

WHEREAS, on August 4, 2014, the City Council of Huntington Beach adopted Resolution No. 2014-57, approving the Side Letter to the Huntington Beach Management Employee's Organization (MEO) Memorandum of Understanding (MOU) which provided language related to Retiree Medical Subsidy; and,

WHEREAS, this Side Letter was incorporated into the subsequent MEO's MOU effective December 21, 2012 through November 1, 2015. However, part of the Side Letter language was inadvertently omitted from the subsequent MEO MOU;

WHEREAS, through the Side Letter, the City of Huntington Beach and MEO wish to retroactively modify the language related to Exhibit B – Retiree Subsidy Medical Plan; and,

Subsequent to the adoption of the MOU, the City of Huntington Beach and MEO has met and conferred and agreed to changes, corrections, and clarifications to the MOU that are reflected in a Side Letter of Agreement attached hereto as Exhibit A and incorporated herein by this reference.

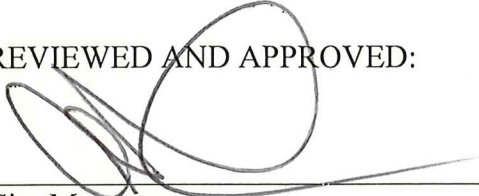
NOW, THEREFORE, IT IS HEREBY RESOLVED by the City Council of the City of Huntington Beach as follows:

1. The Side Letter of Agreement attached hereto as Exhibit A is approved and adopted.
2. The Side Letter of Agreement amends the MOU between the City of Huntington Beach and MEO.



PASSED AND ADOPTED by the City Council of the City of Huntington Beach at a regular meeting thereof held on the 16<sup>th</sup> day of July, 2023.

  
\_\_\_\_\_  
Mayor


REVIEWED AND APPROVED:

  
\_\_\_\_\_  
City Manager

APPROVED AS TO FORM:

   
\_\_\_\_\_  
City Attorney

INITIATED AND APPROVED:

  
\_\_\_\_\_  
Interim Director of Human Resources

**SIDE LETTER OF AGREEMENT BETWEEN  
THE CITY OF HUNTINGTON BEACH  
AND  
HUNTINGTON BEACH MANAGEMENT EMPLOYEES' ORGANIZATION (MEO)**

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Representatives of Management Employees Organization ("MEO") and the City of Huntington Beach (City) have met and conferred regarding the subject matter of this Side Letter of Agreement to modify the following section of the MEO MOU dated January 1, 2022 through December 31, 2024:

**MANAGEMENT EMPLOYEES' ORGANIZATION  
EXHIBIT B – RETIREE MEDICAL SUBSIDY PLAN**

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**RETIREE SUBSIDY MEDICAL PLAN**

**Employees hired on or after October 1, 2014, shall not be eligible for this benefit.**

An employee who has retired from the City shall be entitled to participate in the City-sponsored medical insurance plans, and the City shall contribute toward monthly premiums for coverage in an amount as specified in accordance with this Plan, provided:

- A. The employee has a minimum of ten (10) years of continuous full-time City service, or is granted an industrial disability retirement; and
- B. At the time of retirement, the employee is employed by the City; and
- C. Following official separation from the City, the employee is granted a retirement allowance by the California Public Employees' Retirement System.

The City's obligation to pay the monthly premium as indicated shall be modified downward or cease during the lifetime of the retiree upon the occurrence of any one of the following:

- 1. On the first of the month in which a retiree or dependent reaches age 65 or on the date the retiree or dependent can first apply and become eligible, automatically or voluntarily, for medical coverage under Medicare (whether or not such application is made) the City's obligation to pay monthly premiums may be adjusted downward or eliminated. Benefit coverage at age 65 under the City's medical plans shall be governed by applicable plan document.
- 2. In the event of the death of any employee, whether retired or not, the amount of the retiree medical insurance subsidy benefit which the deceased employee was receiving at the time of their death would be eligible to receive if they were retired at the time of death, shall be paid on behalf of the spouse or family for a period not to exceed twelve (12) months.

## SCHEDULE OF BENEFITS

- A. Minimum Eligibility for Benefits - With the exception of an industrial disability retirement, eligibility for benefits begin after an employee has completed ten (10) years of continuous full time service with the City of Huntington Beach. Said service must be continuous unless prior service is reinstated at the time of his/her rehire in accordance with the City's Personnel Rules.
- B. Disability Retirees - Industrial disability retirees with less than ten (10) years of service shall receive a maximum monthly payment toward the premium for health insurance of \$121 (one hundred twenty-one dollars). Payments shall be in accordance with the stipulations and conditions, which exist for all retirees. Payment shall not exceed dollar amount, which is equal to the full cost of premium for employee only.
- C. Marital Status – Married unit retirees eligible for benefits under the Retiree Medical Subsidy Plan may both receive the benefit earned pursuant to Section D – Maximum Monthly Subsidy Payments, whether enrolled individually as the plan enrollee or whether enrolled as a dependent on any City-sponsored medical plan.
- a. In the case where a retired unit member is married to a City employee (active or retired) outside of this bargaining unit, this provision shall remain applicable.
  - b. This provision shall apply to State of California registered domestic partners the same as married spouses.
  - c. This provision shall become effective January 1, 2015, following MEO open enrollment for 2015 Medical plans.
- D. Maximum Monthly Subsidy Payments - Payment amounts may be reduced each month as dependent eligibility ceases due to death, divorce or loss of dependent child status. However, the amount shall not be reduced if such reduction would cause insufficient funds needed to pay the full premium for the employee and the remaining dependents. In the event no reduction occurs and the remaining benefit premium is not sufficient to pay the premium amount for the employee and the eligible dependents, said needed excess premium amount shall be paid by the employee.

All retirees, including those retired as a result of disability whose number of continuous, full time years of City service prior to retirement City exceeds ten (10), shall be entitled to maximum monthly payment of premiums by the for each year of completed City service as follows:

Maximum Monthly Payment  
for Retirements After:

<b>Years of Service</b>	<b>Subsidy</b>
10	\$ 121
11	136
12	151
13	166
14	181
15	196
16	211
17	226
18	241
19	256
20	271
21	286
22	300
23	315
24	330
25	344

**RETIREE SUBSIDY MEDICAL PLAN / MISCELLANEOUS PROVISIONS**

A. Eligibility:

1. The effective start-up date of the Retiree Subsidy Medical Plan for the various employee groups shall be the first of the month following retirement date.
2. A retiree may change plans, add dependents, etc., during annual open enrollment. The Human Resources Division shall notify covered retirees of this opportunity each year.
3. Years of service computed for the Retiree Subsidy Medical Plan are actual        years of completed service with the City of Huntington Beach.

B. Benefits:

1. Retiree Subsidy Medical Plan includes the available group medical plans offered to active unit members at the time of retirement.
2. City Plans are the primary payer for active employees age 65 and over, with Medicare the secondary payer. Retirees age 65 and over have no City Plan options and are eligible only for Medicare.
3. Premium payments are to be received at least one month in advance of the coverage period.

C. Subsidies:

1. The subsidy payments will pay for:
  - a. Retiree Subsidy Medical Plan.
  - b. HMO.

- c. Part A of Medicare for those retirees not eligible for paid Part A.
2. Subsidy payments will not pay for:
    - a. Part B Medicare.
    - b. Any other employee benefit plan.
    - c. Any other commercially available benefit plan.
    - d. Medicare supplements.

D. Medicare:

1. All persons are eligible for Medicare coverage at age sixty five (65). Those with sufficient credit quarters of Social Security will receive Part A of Medicare at no cost. Those without sufficient credited quarters are still eligible for Medicare at age sixty five (65, but will have to pay for Part A of Medicare if the individual elects to take Medicare. In all cases, Part B of Medicare is paid for by the participant.
2. When a retiree and their spouse are both sixty five (65 or over, and neither is eligible for paid Part A of Medicare, the subsidy shall pay for Part A for each of them or the maximum subsidy, whichever is less.
3. When a retiree at age sixty five (65 is eligible for paid Part A of Medicare and their spouse is not eligible for paid Part A, the spouse shall not receive subsidy. When a retiree at age sixty five (65 is not eligible for paid Part A of Medicare and their spouse who is also age sixty five (65 is eligible for paid Part A of Medicare, the subsidy shall be for the retiree's Part A only.

E. Cancellation:

1. For retirees/dependents eligible for paid Part A of Medicare, the following cancellation provisions apply:
  - a. Coverage for a retiree under the Retiree Subsidy Medical Plan will be eliminated on the first day of the month in which the retiree reaches age sixty five (65. If such retiree was covering dependents under the Plan, dependents will be eligible for state and or federal COBRA continuation benefits effective as of the retiree's sixty-fifth (65<sup>th</sup>) birthday.
  - b. Dependent coverage will be eliminated upon whichever of the following occasions comes first:
    - i. After thirty six (36) months of COBRA continuation coverage, or
    - ii. When the covered dependent reaches age sixty five (65) in the event such dependent reaches age sixty five (65) prior to the retiree reaching age sixty five (65).
  - c. At age sixty five (65) retirees are eligible to make application for Medicare. Upon being considered "eligible to make application," whether or not application has been made for Medicare, the Retiree Subsidy Medical Plan will be eliminated.

2. See provisions under "Benefits," "Subsidies," and "Medicare" for those retirees/dependents not eligible for paid Part A of Medicare.
3. Retiree Subsidy Medical Plan and COBRA participants shall be notified of non-payment of premium by means of a certified letter from Employee Benefits in accordance with provisions of the Memorandums of Understanding.
4. A retiree who fails to pay premiums due for coverage and is in arrears for sixty (60) days shall be terminated from the Plan and shall not have reinstatement rights.


**Side Letter Implementation**

The provisions contained in this side letter are effective following approval by the City of Huntington Beach City Council and will remain in full force and effect unless otherwise specifically modified, either by subsequent side-letter or a successor memorandum of understanding.

IN WITNESS WHEREOF, the parties have caused this SIDE LETTER AGREEMENT to be executed by and through their authorized officers on July 18, 2023.


**City of Huntington Beach**

By:

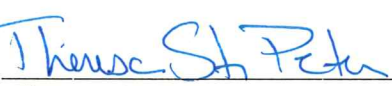
  
\_\_\_\_\_  
Al Zelinka  
City Manager

**Management Employees Organization**

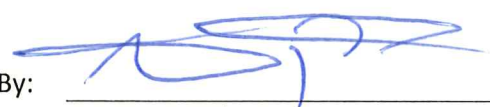
By:

  
\_\_\_\_\_  
Debra Jubinsky  
MEO President

By:

  
\_\_\_\_\_  
Theresa St. Peter  
Interim Human Resources Director

By:

  
\_\_\_\_\_  
Aaron Peardon  
OCEA Representative

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Michael Gates  
City Attorney

STATE OF CALIFORNIA  
COUNTY OF ORANGE                    ) ss:  
CITY OF HUNTINGTON BEACH        )

I, ROBIN ESTANISLAU, the duly elected, qualified City Clerk of the City of Huntington Beach, and ex-officio Clerk of the City Council of said City, do hereby certify that the whole number of members of the City Council of the City of Huntington Beach is seven; that the foregoing resolution was passed and adopted by the affirmative vote of at least a majority of all the members of said City Council at a **Regular** meeting thereof held on **July 18, 2023** by the following vote:

**AYES:**       Kalmick, Moser, Van Der Mark, Strickland, McKeon, Bolton, Burns  
**NOES:**       None  
**ABSENT:**   None  
**RECUSE:**   None



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City Clerk and ex-officio Clerk of the  
City Council of the City of  
Huntington Beach, California