



## CITY COUNCIL STAFF REPORT

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**TO:** Honorable Mayor and City Council                      **DATE:** September 16, 2019  
**FROM:** Matthew Bronson, City Manager  
**PREPARED BY:** Karla Mattocks, Management Analyst-Human Resources  
**SUBJECT:** Authorization to Amend the Memorandum of Understanding with City of Grover Beach Employee Groups per Side Letter Agreements.

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### **RECOMMENDATION**

Adopt the Resolutions Amending the Memorandum of Understanding with City of Grover Beach Employee Groups per Side Letter Agreements.

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### **BACKGROUND**

As part of the City Cafeteria Plan for Health Insurance, employees who have health, dental, and vision insurance coverage through a spouse, dependent, or a former employer and provide proof of other coverage to the Human Resources Department, are allowed to waive the City's health insurance coverage and may elect to receive \$500.00 per month as cash in lieu which is converted to taxable income. The City would like to amend the Memorandum of Understanding with each employee group to allow those participating in our Cafeteria Plan "In-Lieu of" payment plan to purchase vision and dental insurance from the City, by paying the full cost of the corresponding elected premiums. This would provide an optional added benefit to employees at no additional cost to the city.

The current wording in each bargaining group's Memorandum of Understanding states that:

- c) If an employee has health, dental, and vision insurance coverage through a spouse, dependent, or a former employer and provides proof of other coverage to the Human Resources Department, the employee may elect to waive the City's health insurance coverage and elect to use flex dollars, equal to \$500.00 per month may be converted to taxable income.

Effective September 16, 2019 this section would be changed to read:

- c) If an employee has medical insurance coverage through a spouse, dependent, or a former employer and provides proof of other coverage to the Human Resources Department, the employee may elect to waive the City's health insurance coverage and elect to use flex dollars, equal to \$500.00 per month which may be converted to taxable income. The employee may purchase dental and vision coverage through the City by paying the full cost of the corresponding premiums.

Side letters of agreement have been reviewed and agreed to by the corresponding employee groups. As part of these side letters, the Parties will agree that the remaining terms of the MOU agreements shall remain in full force and effect except as set forth in the side letters.

### **FISCAL IMPACT**

There is no fiscal impact related to the change.

### **ALTERNATIVES**

The City Council has the following alternatives to consider:

1. Amend the Memorandum of Understandings with each City of Grover Beach Employee Groups per a Side Letter Agreement; or
2. Provide alternate direction to staff.

### **PUBLIC NOTIFICATION**

The agenda was posted in accordance with the Brown Act.

### **ATTACHMENTS**

1. Attachment 1 with Exhibit A – Executive Management Employee Group
2. Attachment 2 with Exhibit A – Management and Confidential Employee Group
3. Attachment 3 with Exhibit A – Police Management and Confidential Employee Group
4. Attachment 4 with Exhibit A – Service Employees International Union Employee Group
5. Attachment 5 with Exhibit A – Police Officers Association Employee Group

**RESOLUTION NO. 19-\_\_**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GROVER BEACH, CALIFORNIA, AMENDING THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY AND THE EXECUTIVE MANAGEMENT EMPLOYEE GROUP BY ADOPTING THE SIDE LETTER OF AGREEMENT**

**WHEREAS**, on June 4<sup>th</sup>, 2018, the City Council of Grover Beach adopted Resolution No. 18-50 for the purpose of adopting the Memorandum of Understanding (MOU); and

**WHEREAS**, subsequent to the adoption of the MOU, the City of Grover Beach and the Grover Beach Executive Management Employee Group agreed to changes to the MOU that are reflected in a Side Letter of Agreement between the City of Grover Beach and the Grover Beach Executive Management Employee Group (Exhibit A). The Side Letter of Agreement pertains to the City of Grover Beach’s Health Insurance Cafeteria Plan “In-Lieu of” option for employees who have health insurance coverage through a spouse, dependent, or a former employer. The Side Letter of Agreement would amend the MOU to allow employee’s receiving this payment to purchase dental and vision insurance through the City of Grover Beach by paying the full cost of the corresponding premiums.

**NOW, THEREFORE, BE IT RESOLVED** that the City and the Group agree as follows:

1. The Side Letter of Agreement attached hereto as “Exhibit A” is approved and adopted; and
2. The Side Letter of Agreement amends the MOU between the City of Grover Beach and the Grover Beach Executive Management Employee Group.

On motion by Council Member \_\_\_\_\_, seconded by Council Member \_\_\_\_\_, and on the following roll-call vote, to wit:

AYES:	Council Members -
NOES:	Council Members -
ABSENT:	Council Members -
ABSTAIN:	Council Members -

the foregoing Resolution was **PASSED, APPROVED**, and **ADOPTED** at a meeting of the City Council of the City of Grover Beach, California this 16<sup>th</sup> day of September 2019.

**\*\* D R A F T \*\***

\_\_\_\_\_  
JEFF LEE, MAYOR

Attest:

\_\_\_\_\_  
WENDI SIMS, CITY CLERK

THE SIDE LETTER AGREEMENT AMENDING  
THE 2018-2021 MEMORANDUM OF UNDERSTANDING  
BETWEEN THE CITY OF GROVER BEACH AND THE  
GROVER BEACH EXECUTIVE MANAGEMENT EMPLOYEES GROUP

On June 4<sup>th</sup>, 2018, the City of Grover Beach (the "City") and the Grover Beach Executive Management Employees Group (the "Group" and together with the City, the "Parties") executed a Memorandum of Understanding (MOU) for the period of July 1, 2018 through June 30, 2021.

Included in the MOU is within Article IV – Benefits, Section 1 (c.) which states that:

- c) If an employee has health, dental, and vision insurance coverage through a spouse, dependent, or a former employer and provides proof of other coverage to the Human Resources Department, the employee may elect to waive the City’s health insurance coverage and elect to use flex dollars, equal to \$500.00 per month may be converted to taxable income.

Effective September 16, 2019 this section would be changed to read:

- c) If an employee has medical insurance coverage through a spouse, dependent, or a former employer and provides proof of other coverage to the Human Resources Department, the employee may elect to waive the City’s health insurance coverage and elect to use flex dollars, equal to \$500.00 per month which may be converted to taxable income. The employee may purchase dental and vision coverage through the City by paying the full cost of the corresponding premiums.

As part of this Side Letter, the Parties have agreed that the remaining terms of the agreement shall remain in full force and effect except as set forth in this Side Letter.

The City and the Group agree as follows:

Article IV – Benefits, Section I City’s Cafeteria Plan, shall be modified to include language as follows:

- c) If an employee has medical insurance coverage through a spouse, dependent, or a former employer and provides proof of other coverage to the Human Resources Department, the employee may elect to waive the City’s health insurance coverage and elect to use flex dollars, equal to \$500.00 per month which may be converted to taxable income. The employee may purchase dental and vision coverage through the City by paying the full cost of the corresponding premiums.

Executive Management Group

City of Grover Beach

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**RESOLUTION NO. 19-\_\_**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GROVER BEACH, CALIFORNIA, AMENDING THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY AND THE MANAGEMENT AND CONFIDENTIAL EMPLOYEE GROUP BY ADOPTING THE SIDE LETTER OF AGREEMENT**

**WHEREAS**, on June 19<sup>th</sup>, 2018, the City Council of Grover Beach adopted Resolution No. 18-54 for the purpose of adopting the Memorandum of Understanding (MOU); and

**WHEREAS**, subsequent to the adoption of the MOU, the City of Grover Beach and the Grover Beach Management and Confidential Employee Group agreed to changes to the MOU that are reflected in a Side Letter of Agreement between the City of Grover Beach and the Grover Beach Management and Confidential Employee Group (Exhibit A). The Side Letter of Agreement pertains to the City of Grover Beach’s Health Insurance Cafeteria Plan “In-Lieu of” option for employees who have health insurance coverage through a spouse, dependent, or a former employer. The Side Letter of Agreement would amend the MOU to allow employee’s receiving this payment to purchase dental and vision insurance through the City of Grover Beach by paying the full cost of the corresponding premiums.

**NOW, THEREFORE, BE IT RESOLVED** that the City and the Group agree as follows:

1. The Side Letter of Agreement attached hereto as “Exhibit A” is approved and adopted; and
2. The Side Letter of Agreement amends the MOU between the City of Grover Beach and the Grover Beach Management and Confidential Employee Group.

On motion by Council Member \_\_\_\_\_, seconded by Council Member \_\_\_\_\_, and on the following roll-call vote, to wit:

AYES:            Council Members -  
 NOES:            Council Members -  
 ABSENT:        Council Members -  
 ABSTAIN:       Council Members -

the foregoing Resolution was **PASSED, APPROVED**, and **ADOPTED** at a meeting of the City Council of the City of Grover Beach, California this 16<sup>th</sup> day of September 2019.

**\*\* D R A F T \*\***

\_\_\_\_\_  
JEFF LEE, MAYOR

Attest:

\_\_\_\_\_  
WENDI SIMS, CITY CLERK

THE SIDE LETTER AGREEMENT AMENDING  
THE 2018-2021 MEMORANDUM OF UNDERSTANDING  
BETWEEN THE CITY OF GROVER BEACH AND THE  
GROVER BEACH MANAGEMENT AND CONFIDENTIAL EMPLOYEES GROUP

On June 19<sup>th</sup>, 2018, the City of Grover Beach (the "City") and the Grover Beach Management and Confidential Employees Group (the "Group" and together with the City, the "Parties") executed a Memorandum of Understanding (MOU) for the period of July 1, 2018 through June 30, 2021.

Included in the MOU is within Article IV – Benefits, Section 1 (c.) which states that:

- c) If an employee has health, dental, and vision insurance coverage through a spouse, dependent, or a former employer and provides proof of other coverage to the Human Resources Department, the employee may elect to waive the City's health insurance coverage and elect to use flex dollars, equal to \$500.00 per month may be converted to taxable income.

Effective September 16, 2019 this section would be changed to read:

- c) If an employee has medical insurance coverage through a spouse, dependent, or a former employer and provides proof of other coverage to the Human Resources Department, the employee may elect to waive the City's health insurance coverage and elect to use flex dollars, equal to \$500.00 per month which may be converted to taxable income. The employee may purchase dental and vision coverage through the City by paying the full cost of the corresponding premiums.

As part of this Side Letter, the Parties have agreed that the remaining terms of the agreement shall remain in full force and effect except as set forth in this Side Letter.

The City and the Group agree as follows:

Article IV – Benefits, Section I City's Cafeteria Plan, shall be modified to include language as follows:

- c) If an employee has medical insurance coverage through a spouse, dependent, or a former employer and provides proof of other coverage to the Human Resources Department, the employee may elect to waive the City's health insurance coverage and elect to use flex dollars, equal to \$500.00 per month which may be converted to taxable income. The employee may purchase dental and vision coverage through the City by paying the full cost of the corresponding premiums.

MC Group

City of Grover Beach

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**RESOLUTION NO. 19-\_\_**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GROVER BEACH, CALIFORNIA, AMENDING THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY AND THE GROVER BEACH POLICE MANAGEMENT AND CONFIDENTIAL EMPLOYEE GROUP BY ADOPTING THE SIDE LETTER OF AGREEMENT**

**WHEREAS**, on June 19<sup>th</sup>, 2018, the City Council of Grover Beach adopted Resolution No. 18-54 for the purpose of adopting the Memorandum of Understanding (MOU); and

**WHEREAS**, subsequent to the adoption of the MOU, the City of Grover Beach and the Grover Beach Police Management and Confidential Employee Group agreed to changes to the MOU that are reflected in a Side Letter of Agreement between the City of Grover Beach and the Grover Beach Police Management and Confidential Employee Group (Exhibit A). The Side Letter of Agreement pertains to the City of Grover Beach’s Health Insurance Cafeteria Plan “In-Lieu of” option for employees who have health insurance coverage through a spouse, dependent, or a former employer. The Side Letter of Agreement would amend the MOU to allow employee’s receiving this payment to purchase dental and vision insurance through the City of Grover Beach by paying the full cost of the corresponding premiums.

**NOW, THEREFORE, BE IT RESOLVED** that the City and the Group agree as follows:

1. The Side Letter of Agreement attached hereto as “Exhibit A” is approved and adopted; and
2. The Side Letter of Agreement amends the MOU between the City of Grover Beach and the Grover Beach Police Management and Confidential Employee Group.

On motion by Council Member \_\_\_\_\_, seconded by Council Member \_\_\_\_\_, and on the following roll-call vote, to wit:

AYES:	Council Members -
NOES:	Council Members -
ABSENT:	Council Members -
ABSTAIN:	Council Members -

the foregoing Resolution was **PASSED, APPROVED**, and **ADOPTED** at a meeting of the City Council of the City of Grover Beach, California this 16<sup>th</sup> day of September 2019.

**\*\* D R A F T \*\***

\_\_\_\_\_  
JEFF LEE, MAYOR

Attest:

\_\_\_\_\_  
WENDI SIMS, CITY CLERK

THE SIDE LETTER AGREEMENT AMENDING  
THE 2018-2021 MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF GROVER BEACH AND THE  
GROVER BEACH POLICE MANAGEMENT  
AND CONFIDENTIAL EMPLOYEES GROUP

On June 29<sup>th</sup>, 2018, the City of Grover Beach (the "City") and the Grover Beach Police Management and Confidential Employees Group (the "Group" and together with the City, the "Parties") executed a Memorandum of Understanding (MOU) for the period of July 1, 2018 through June 30, 2021.

Included in the MOU is within Article IV – Benefits, Section 1 (c.) which states that:

- c) If an employee has health, dental, and vision insurance coverage through a spouse, dependent, or a former employer and provides proof of other coverage to the Human Resources Department, the employee may elect to waive the City’s health insurance coverage and elect to use flex dollars, equal to \$500.00 per month may be converted to taxable income.

Effective September 16, 2019 this section would be changed to read:

- c) If an employee has medical insurance coverage through a spouse, dependent, or a former employer and provides proof of other coverage to the Human Resources Department, the employee may elect to waive the City’s health insurance coverage and elect to use flex dollars, equal to \$500.00 per month which may be converted to taxable income. The employee may purchase dental and vision coverage through the City by paying the full cost of the corresponding premiums.

As part of this Side Letter, the Parties have agreed that the remaining terms of the agreement shall remain in full force and effect except as set forth in this Side Letter.

The City and the Group agree as follows:

Article IV – Benefits, Section I City’s Cafeteria Plan, shall be modified to include language as follows:

- c) If an employee has medical insurance coverage through a spouse, dependent, or a former employer and provides proof of other coverage to the Human Resources Department, the employee may elect to waive the City’s health insurance coverage and elect to use flex dollars, equal to \$500.00 per month which may be converted to taxable income. The employee may purchase dental and vision coverage through the City by paying the full cost of the corresponding premiums.

GBPMCEG Group

City of Grover Beach

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**RESOLUTION NO. 19-\_\_**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GROVER BEACH, CALIFORNIA, AMENDING THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY AND THE SERVICE EMPLOYEES INTERNATIONAL UNION EMPLOYEE GROUP BY ADOPTING THE SIDE LETTER OF AGREEMENT**

**WHEREAS**, on December 3<sup>rd</sup>, 2018, the City Council of Grover Beach adopted Resolution No. 18-103 for the purpose of adopting the Memorandum of Understanding (MOU); and

**WHEREAS**, subsequent to the adoption of the MOU, the City of Grover Beach and the Grover Beach Service Employees International Union Employee Group agreed to changes to the MOU that are reflected in a Side Letter of Agreement between the City of Grover Beach and the Grover Beach Service Employees International Union Employee Group (Exhibit A). The Side Letter of Agreement pertains to the City of Grover Beach’s Health Insurance Cafeteria Plan “In-Lieu of” option for employees who have health insurance coverage through a spouse, dependent, or a former employer. The Side Letter of Agreement would amend the MOU to allow employee’s receiving this payment to purchase dental and vision insurance through the City of Grover Beach by paying the full cost of the corresponding premiums.

**NOW, THEREFORE, BE IT RESOLVED** that the City and the Group agree as follows:

1. The Side Letter of Agreement attached hereto as “Exhibit A” is approved and adopted; and
2. The Side Letter of Agreement amends the MOU between the City of Grover Beach and the Grover Beach Service Employees International Union Employee Group.

On motion by Council Member \_\_\_\_\_, seconded by Council Member \_\_\_\_\_, and on the following roll-call vote, to wit:

AYES:	Council Members -
NOES:	Council Members -
ABSENT:	Council Members -
ABSTAIN:	Council Members -

the foregoing Resolution was **PASSED, APPROVED**, and **ADOPTED** at a meeting of the City Council of the City of Grover Beach, California this 16<sup>th</sup> day of September 2019.

**\*\* D R A F T \*\***

\_\_\_\_\_  
JEFF LEE, MAYOR

Attest:

\_\_\_\_\_  
WENDI SIMS, CITY CLERK

THE SIDE LETTER AGREEMENT AMENDING  
THE 2019-2021 MEMORANDUM OF UNDERSTANDING  
BETWEEN THE CITY OF GROVER BEACH AND THE  
SERVICE EMPLOYEES INTERNATIONAL UNION EMPLOYEE GROUP

On June 3, 2019, the City of Grover Beach (the "City") and the Grover Beach Service Employees International Union Employee Group (the "Group" and together with the City, the "Parties") executed a Memorandum of Understanding (MOU) for the period of December 3, 2018 through June 30, 2021.

Included in the MOU is within Article IV – Benefits, Section 1 which states that:

- c) If an employee has health, dental, and vision insurance coverage through a spouse, dependent, or a former employer and provides proof of other coverage to the Human Resources Department, the employee may elect to waive the City's health insurance coverage and elect to use flex dollars, equal to \$500.00 per month may be converted to taxable income.

Effective September 16, 2019 this section would be changed to read:

- c) If an employee has medical insurance coverage through a spouse, dependent, or a former employer and provides proof of other coverage to the Human Resources Department, the employee may elect to waive the City's health insurance coverage and elect to use flex dollars, equal to \$500.00 per month which may be converted to taxable income. The employee may purchase dental and vision coverage through the City by paying the full cost of the corresponding premiums.

As part of this Side Letter, the Parties have agreed that the remaining terms of the agreement shall remain in full force and effect except as set forth in this Side Letter.

The City and the Group agree as follows:

Article IV – Benefits, Section I City's Cafeteria Plan, shall be modified to include language as follows:

- d) If an employee has medical insurance coverage through a spouse, dependent, or a former employer and provides proof of other coverage to the Human Resources Department, the employee may elect to waive the City's health insurance coverage and elect to use flex dollars, equal to \$500.00 per month which may be converted to taxable income. The employee may purchase dental and vision coverage through the City by paying the full cost of the corresponding premiums.

SEIU Group

City of Grover Beach

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**RESOLUTION NO. 19-\_\_**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GROVER BEACH, CALIFORNIA, AMENDING THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY AND THE GROVER BEACH POLICE OFFICER'S ASSOCIATION EMPLOYEE GROUP BY ADOPTING THE SIDE LETTER OF AGREEMENT**

**WHEREAS**, on July 23<sup>rd</sup>, 2018, the City Council of Grover Beach adopted Resolution No. 18-76 for the purpose of adopting the Memorandum of Understanding (MOU); and

**WHEREAS**, subsequent to the adoption of the MOU, the City of Grover Beach and the Grover Beach Police Officer's Association Employee Group agreed to changes to the MOU that are reflected in a Side Letter of Agreement between the City of Grover Beach and the Grover Beach Police Officer's Association Employee Group (Exhibit A). The Side Letter of Agreement pertains to the City of Grover Beach's Health Insurance Cafeteria Plan "In-Lieu of" option for employees who have health insurance coverage through a spouse, dependent, or a former employer. The Side Letter of Agreement would amend the MOU to allow employee's receiving this payment to purchase dental and vision insurance through the City of Grover Beach by paying the full cost of the corresponding premiums.

**NOW, THEREFORE, BE IT RESOLVED** that the City and the Group agree as follows:

1. The Side Letter of Agreement attached hereto as "Exhibit A" is approved and adopted; and
2. The Side Letter of Agreement amends the MOU between the City of Grover Beach and the Grover Beach Police Officer's Association Employee Group.

On motion by Council Member \_\_\_\_\_, seconded by Council Member \_\_\_\_\_, and on the following roll-call vote, to wit:

AYES:	Council Members -
NOES:	Council Members -
ABSENT:	Council Members -
ABSTAIN:	Council Members -

the foregoing Resolution was **PASSED, APPROVED**, and **ADOPTED** at a meeting of the City Council of the City of Grover Beach, California this 16<sup>th</sup> day of September 2019.

**\*\* D R A F T \*\***

\_\_\_\_\_  
JEFF LEE, MAYOR

Attest:

\_\_\_\_\_  
WENDI SIMS, CITY CLERK

THE SIDE LETTER AGREEMENT AMENDING  
THE 2018-2021 MEMORANDUM OF UNDERSTANDING  
BETWEEN THE CITY OF GROVER BEACH AND THE  
GROVER BEACH POLICE OFFICERS ASSOCIATION EMPLOYEE GROUP

On July 23<sup>rd</sup>, 2018, the City of Grover Beach (the "City") and the Grover Beach Police Officers Association Employee Group (the "Group" and together with the City, the "Parties") executed a Memorandum of Understanding (MOU) for the period of July 23<sup>rd</sup>, 2018 through June 30, 2021.

Included in the MOU is within Article IV – Benefits, Section 1 (c.) which states that:

- c) If an employee has health, dental, and vision insurance coverage through a spouse, dependent, or a former employer and provides proof of other coverage to the Human Resources Department, the employee may elect to waive the City’s health insurance coverage and elect to use flex dollars, equal to \$500.00 per month may be converted to taxable income.

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As part of this Side Letter, the Parties have agreed that the remaining terms of the agreement shall remain in full force and effect except as set forth in this Side Letter.

The City and the Group agree as follows:

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POA Group

City of Grover Beach

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