Vallejo Police Officers' Association



Comprehensive Economic Counter Proposal

July 18, 2013

The following summary terms comprise a formal VPOA comprehensive economic "package" counter proposal. All City economic proposals not specifically identified herein are rejected as part of this Counter Proposal. All terms are offered on the condition that they are a "package" and individual terms are not stand-alone proposals. Absent an agreement to the contrary, in the event that the parties do not agree on the terms set forth herein, the VPOA's positions on all economic issues set forth below are withdrawn. The VPOA does not waive any legal rights or claims by submission of this Counter Proposal.

This Comprehensive Economic Counter Proposal is considered a settlement document and not to be considered as final positions of the VPOA.

- 1. Active Medical
 - <u>Current Members</u>. The City shall continue to offer medical plans through CalPERS medical/PEMHCA. All members participating in the PEMHCA medical plans will pay 25% of the health care premium at the level of the member's participation. The maximum City contribution shall not exceed 75% of the Kaiser Bay Area rate for each level of participation.
- 2. Retirement Medical¹
 - <u>City Funding Obligations</u>. The City shall establish an irrevocable trust with the California Employers Retirees Benefit Trust (CERBT) for retiree medical benefits for VPOA members with an actuarially assumed discount rate equal to that of CalPERS pension fund. Each year, the City shall contribute the full Annual Required Contribution ("ARC"), as established by the City's actuarial consultant.

¹ The VPOA specifically notes that each member hired prior to the effective date of an agreement, including retired members, maintains a vested right to his/her retirement medical benefit. Nothing in this proposal shall be interpreted to constitute a waiver of such members' individual vested rights.

- <u>Additional Funding Obligations</u>. Each member of the VPOA shall contribute three percent (3%) of his/her base pay per pay period on a pre-tax basis, to fund the CERBT. Such contributions shall offset the City's ARC payment noted above.
- <u>Retired Member Benefits</u>. Retired members participating in a PEMCHA medical plan shall pay 25% of the health care premium at the level of the member's participation. The maximum City contribution shall not exceed 75% of the Kaiser Bay Area rate for each level of participation. They are participation and is eligible for Medicare, shall contribute 25% of the selected Medicare health care premium at the level of the member's participation. The maximum City contribution shall not exceed 75% of the selected Medicare health care premium at the level of the member's participation. The maximum City contribution shall not exceed 75% of the Kaiser Medicare Premium.

3. Pension Contribution

- <u>Classic Employees:</u> Members shall continue to pay the 9% of the employee share of the pension cost.
- <u>Employees Defined as "New Members"</u>: Members defined as "new members" under PEPRA shall contribute 50% of the normal cost of their pension benefit.
- <u>Additional Employee Contributions</u>. For the term of the MOU, all VPOA members shall pay 3% of the employer's share of the PERS required contribution.

4. Wages

 <u>Reduced step</u>. New members hired on or after July 1, 2013 will be subject to a new entry level salary step equating to 5% below the current entry level salary.

5. Term.

• The term of the M.O.U. will be two years, expiring July 1, 2015.

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