

**Side Letter Agreement  
Between  
City of Fresno  
and  
Operating Engineers, Local Union No. 3,  
Fresno Airport Public Safety Officers (FAPSO), Unit 11**

**Other Insurance Opt Out**

The City of Fresno and Operating Engineers, Local Union No. 3, Fresno Airport Public Safety Officers (FAPSO), Unit 11, have met and conferred, and have agreed to amend and replace Article VII, Section C. in its entirety as follows:

ARTICLE VII

COMPENSATION AND BENEFITS

C. Fresno City Employees Health and Welfare Trust

The City and the Association agree that the Fresno City Employees Health and Welfare Trust has the sole authority to determine the benefits that will be provided during the term of this MOU. The sole responsibility of the City under this clause is to provide a set dollar amount to be contributed to the Trust on behalf of the employee represented by the Association. The City's contribution for full time employees will be seventy-five percent (75%) of the premium established by the Fresno City Employees Health and Welfare Trust Board prior to July 1, 2014, plus fifty percent (50%) of any increase in the premium effective July 1, 2015. Future increases to the health and welfare premium will be split so that fifty percent (50%) will be absorbed by the City and fifty percent (50%) will be absorbed by employees, except that the employee share shall not exceed thirty percent (30%). Should the employee share be set at thirty percent (30%), the City share shall be seventy percent (70%). During periods of open enrollment or due to a change in circumstances as defined by the Trust, an employee may opt to contribute the amount necessary to make up the difference through payroll deductions, or accept a reduced coverage option.

Should any other represented bargaining unit in the City negotiate a successor MOU, or extend the period of an MOU, or have terms imposed resulting in a greater contribution by the City, upon the Union's request, the City will match that benefit.

The parties also agree to work collectively in conjunction with their Board representatives to research and recommend potential cost-saving measures for the Health & Welfare Trust, which may include a choice of health program options based on individual need or preference, including a reduced option equivalent to the City's premium contribution, a separate rate for single employees with no dependents, or other flex plan programs; mandatory generic mail order drug maintenance for

employees who require prescription drug therapy for any period of 90 days or more; or other measures that may be identified as this work progresses.

**Other Health Insurance Opt Out**

- 1. With proof of other health insurance coverage, employees may opt out of enrolling in the City’s Health and Welfare plan if enrolled in a health plan outside of the City, such as a spousal plan.**
  
- 2. Eligible employees (i.e., with proof of other health insurance) may opt out of enrolling in the City’s Health and Welfare plan upon:**
  - (a) employment with the City;**
  
  - (b) within thirty (30) days of a qualifying event; or**
  
  - (c) during the open enrollment period for the Health Plan; or**
  
  - (d) during a one time special open enrollment for the Health Plan to commence on September 1, 2019 and end on September 30, 2019 for employees in Unit 15. Opting out of coverage under the Health Plan will be the change members will be allowed to make during this special open enrollment period.**
  
- 3. An employee electing to opt out of the City’s Health and Welfare plan will be required to submit proof of other health insurance on an annual basis to the Personnel Services Department and must notify the City if that insurance is discontinued for any reason. Proof of health insurance will be shown by a current insurance identification card and copy of current paycheck stub or insurance billing invoice reflecting payment of insurance premium.**

This Agreement shall be effective on the date below until the implementation of a successor MOU. This subject will be addressed in the successor MOU.

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FOR OPERATING ENGINEERS  
LOCAL UNION NO. 3:

FOR THE CITY OF FRESNO:

\_\_\_\_\_  
ALLEN DUNBAR  
Business Representative

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KENNETH G. PHILLIPS  
Labor Relations Manager

Date: \_\_\_\_\_

APPROVED AS TO FORM  
CITY ATTORNEY'S OFFICE

BY:   
\_\_\_\_\_  
Assistant City Attorney