

LETTER OF AGREEMENT

PARTIES

City of Central Point, hereinafter called "City"
Teamsters Local No. 223 (General Service), hereinafter called "Union"

RECITALS

- A. City and Union are parties to a collective bargaining agreement representing General Service employees for the period beginning July 1, 2021 and ending June 30, 2025.
- B. Language in the collective bargaining agreement regarding health insurance eligibility for part-time employees has caused confusion for the Oregon Teamsters Employers Trust, specifically as it pertains to the number of hours an employee must work in the applicable time period to be eligible for coverage.
- C. The parties have negotiated a settlement and desire to reduce their agreement in writing.

AGREEMENT

For and in consideration of the promises and obligations on the part of each party to be performed, the parties agree as follows:

- A. The foregoing recitals are contractual and by their reference are incorporated herein as if set out in full.
- B. Section 20.2 Health Insurance Eligibility shall be modified to read as follows:

An employee as defined in Section 1.1 must be on paid status at least eighty (80) hours in the qualifying month to be covered the following month. (Examples- An employee begins employment January 10th and is on paid status the required eighty (80) hours in that month would then be covered in the month of February. Another employee who separates from employment on May 25th after being on paid status the required eighty (80) hours in May would be covered in the month of June. Another employee who is hired April 25th and who is not on paid status the required number of hours in April, would not be covered in May.)

Paid status does not include overtime hours worked or cash out of accrued leave time (vacation, holiday, compensatory time, or sick leave). A cash out is when an employee receives payment for accrued leave without actually taking the paid time off or upon termination of employment.

Part-time without benefits employees, as defined in Section 1.2, are not eligible for health insurance coverage regardless of the number of hours worked in a given month.

- C. Section 20.3.4 Part-time Employees shall be modified to read as follows:

Prorated Contributions. Health insurance premium contributions shall be made on a prorated basis for bargaining unit employees qualifying for insurance coverage, as outlined in Section 20.2, but working less than full time. For example, for a .7 FTE employee, the

City would pay 70% of the employer share as defined in Section 20.3.1. However, the amount contributed to the premium by the employee shall not exceed the affordability percentage maximum (currently 9.85% of the employee's rate of pay) specified under the Affordable Care Act or its replacement.

In executing this Agreement, the parties acknowledge that:

1. they have had an opportunity to review and receive advice on the terms of this Agreement
2. they are entering into this Agreement voluntarily and with full knowledge of the facts for the purpose of making as full, final and complete settlement.

Agreed to on this 20th Day of August 2021.

For the City:

Chris Clayton
Chris Clayton, City Manager

For the Union:

Brent Jensen
Brent Jensen, Labor Representative