

## **Side Letter No. 4**

### **To the Memorandum of Understanding between Milpitas Police Officers Association (MPOA) and City of Milpitas September 1, 2020**

Subject to the City of Milpitas City Council's approval, the City of Milpitas ("City") and the Milpitas Police Officers Association ("MPOA"), hereby agree to a modification of the terms and conditions set forth in the Memorandum of Understanding ("MOU") with original term from January 1, 2017 through December 31, 2021. This Side Letter No. 4 augments the current MOU as follows:

1. MPOA and the City have previously agreed to provisions for the funding and administration of an "MPOA Retiree Dependent Health Care Fund." These provisions are contained in Section 24.09 of the MOU.
2. Currently, MOU Section 24.09 is implemented by the City placing the amounts described in MOU Section 24.09.1 into a trust called the Milpitas Police Officers Association Benefits Trust ("Trust") based on Side Letter No. 3 executed on June 18, 2019. The Trust is managed by a Third Party Administrator ("TPA") who administers the operations of the Trust and all Trust-controlled funds under the direction and oversight of the Milpitas Police Officers Association Benefits Trust Board of Trustees.
3. Side Letter No. 3 executed on June 18, 2019 also authorized the City to transfer existing funds in and future contributions to the "Police Command Staff Retiree Dependent Health Care Fund" into the Trust, in order to continue the symbiotic relationship between the former "MPOA Retiree Dependent Health Care Fund" and the former "Police Command Staff Retiree Dependent Health Care Fund."
4. Previously, the City and the MPOA agreed through a prior Side Letter executed on September 27, 2018 that the percent contributions into the "MPOA Retiree Dependent Health Care Fund" and the "Police Command Staff Retiree Dependent Health Care Fund" differed by 1% of payroll. The prior agreement was that if the Police Command Staff percent contributions did not increase to the same percent contributions as the MPOA, the prior Side Letter executed on September 27, 2018 would become inoperable, and the sharing of funds arrangement set forth in the prior Side Letter executed on September 27, 2018 shall cease at the end of the Fiscal Year 2018-2019.
5. Side Letter No. 3 executed on June 18, 2019 acknowledged the Police Command Staff percent contributions had not increased to the same percent contributions as the MPOA in the Fiscal Year 2018-2019, but it continued the payroll and benefits contributions, as well as the sharing of funds arrangement between the former "MPOA Retiree Dependent Health Care Fund" and the former "Police Command

Staff Retiree Dependent Health Care Fund” and the transfer of existing funds and future contributions into the Trust, regardless of the percentage contribution variance between the MPOA and Police Command Staff. The equitable sharing of funds arrangement set forth in the prior Side Letter executed on September 27, 2018 was extended into Fiscal Year 2019-2020 by Side Letter No. 3 executed on June 18, 2019 and was slated to cease effective June 30, 2020.

6. This Side Letter No. 4 acknowledges the Police Command Staff percent contributions have not increased to the same percent contributions as the MPOA in Fiscal Year 2019-2020, but it continues the payroll and benefits contributions, as well as the sharing of funds arrangement between the former “MPOA Retiree Dependent Health Care Fund” and the former “Police Command Staff Retiree Dependent Health Care Fund” and the transfer of existing funds and future contributions into the Trust, regardless of the percentage contribution variance between the MPOA and Police Command Staff. Therefore, the equitable sharing of funds set forth in the prior Side Letter executed on September 27, 2018 and continued in Side Letter No. 3 executed on June 18, 2019 shall continue in Fiscal Year 2020-2021 and will cease effective June 30, 2021.

7. Through a separate, employee-funded deduction and contribution arrangement, MPOA members can elect to contribute post-tax monies to a Reserve Dependent Health Care fund managed by the MPOA. This Side Letter does not impact the Reserve Dependent Health Care fund. City will continue to perform requested deductions for those employees who request them and remit such funds to MPOA in accordance with current procedures.

8. MPOA shall hold the City harmless, and shall fully and promptly reimburse the City for any fees, costs, charges, or penalties incurred in responding to or defending against claims, disputes, challenges which are actually brought against the City or any of its agents in connection with the transfer of funds agreed to in this Side Letter, or in connection with the administration of the former “MPOA Retiree Dependent Health Care Fund” and the former “Police Command Staff Retiree Dependent Health Care Fund,” including the transfer of existing and/or future funds to the Trust.

9. Except as modified above, the terms and conditions of the MOU (including any prior Side Letter) shall remain in effect as provided therein.

Dated: \_\_\_\_\_  
Alex Prince, Milpitas Police Officers Association President

Dated: \_\_\_\_\_  
Armando Corpuz for the Police Command Staff

Dated: \_\_\_\_\_  
Francine Hunt, Employee Relations Officer

Dated: \_\_\_\_\_  
Steve McHarris, City Manager