

RESOLUTION

A RESOLUTION APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY AND THE INTERNATIONAL ASSOCIATION OF FIREFIGHTERS LOCAL 2376 CONCERNING A POST-RETIREMENT MEDICAL PLAN BENEFIT TO ELIGIBLE RETIREES AND IRREVOCABLY PLEDGING PRESENT CASH RESERVES FOR PAYMENT OF THE BENEFIT IN FUTURE FISCAL YEARS.

WHEREAS, the City and the International Association of Firefighters Local 2376 (Local 2376) approved a Collective Bargaining Agreement that became effective January 1, 2022 and remains in effect through December 31, 2024; and

WHEREAS, Section 16.3 of the Collective Bargaining Agreement governs the City's provision of a post-retirement, pre-Medicare medical plan benefit that assists eligible Local 2376 retirees during the period between their date of retirement and Medicare eligibility by requiring the City, under the terms of Collective Bargaining Agreement, to pay the premium of the lowest-priced employee-only coverage medical plan offered to City employees after the member retires, until the member is Medicare eligible (Benefit); and

WHEREAS, City Council desires to enter into a Memorandum of Understanding (MOU) that will enhance the Benefit to ensure that, to the extent possible, eligible Local 2376 retirees have the ability to enroll in a City-provided medical plan with portability options outside the State of Colorado, by paying the premium of the highest priced employee-only coverage high deductible medical plan offered to City employees, effective November 1, 2022; and

WHEREAS, the MOU provides that the enhanced benefit supersedes and replaces the Benefit set forth in the Collective Bargaining Agreement during the term of the MOU, but that the MOU does not alter, amend, or modify any provision of the Collective Bargaining Agreement; and

WHEREAS, City Council desires to irrevocably pledge present cash reserves and hold such funds for payment of the Benefit in future fiscal years during the term of the MOU.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF THORNTON, COLORADO, AS FOLLOWS:

1. The City Council hereby approves the attached Memorandum of Understanding between the City and the International Association of Firefighters Local 2376.
2. The City Council hereby irrevocably pledges \$90,408 in present cash reserves, which the City shall hold for payment of the Benefit in future fiscal years during the term of the MOU.

MEMORANDUM OF UNDERSTANDING
Between City of Thornton and IAFF Local 2376
Concerning Post-Retirement Medical Plan Benefit

WHEREAS, the City of Thornton (City) and the International Association of Firefighters Local 2376 (Local 2376) are parties to a Collective Bargaining Agreement, which remains in effect through December 31, 2024; and,

WHEREAS, Section 16.3 of the Collective Bargaining Agreement governs the City's provision of post-retirement health insurance to eligible Local 2376 retirees during the period between their date of retirement and Medicare eligibility; and,

WHEREAS, City Council desires to enhance the post-retirement health insurance benefit to ensure that, to the extent possible, eligible Local 2376 retirees have the ability to enroll in a City-provided medical plan with portability options outside the State of Colorado.

NOW THEREFORE, the City and Local 2376 desire to enter into this Memorandum of Understanding ("MOU") and hereby agree as follows:

1. The City shall discontinue the benefit provided in Section 16.3 of the Collective Bargaining Agreement during the Term of this MOU, and shall instead provide the following new benefit:

RETIREE HEALTH INSURANCE:

- A. The City shall pay the full cost of the highest priced employee-only coverage high deductible medical plan offered to City employees for all eligible Local 2376 members ("Eligible Member") beginning on the first of the month following the date of retirement of the Eligible Member and continuing until the earlier of the following (i) the Eligible Member qualifies for Medicare or (ii) age 65 or such other minimum age otherwise entitling individuals to full Medicare benefits, notwithstanding any other requirement for Medicare eligibility, as such minimum age may be amended by the Federal government from time to time (the "Benefit").

1. A Local 2376 member is an Eligible Member if:

- i. The employee is enrolled in a City-sponsored medical plan on the date of the member's retirement; and,
 - ii. The employee meets either of the following retirement eligibility criteria:
 - a. The employee is at least age 55 and retired from the City with at least 25 years of continuous service with the City as a Regular sworn firefighter; or
 - b. The employee is at least age 50 and retired from the City with at least 30 years of continuous service with the City as a Regular sworn firefighter.

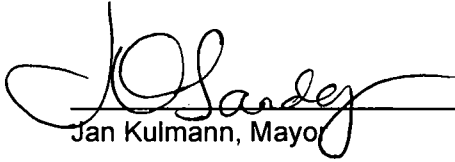
- B. An Eligible Member may enroll his or her spouse and dependents in the City-sponsored medical plan in which the Eligible Member is enrolled, but the Eligible Member shall be responsible for paying the cost of any premium that exceeds the Benefit in accordance with City policy pertaining to retirees' payment of medical plan premiums.

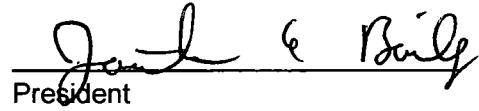
- C. An Eligible Member may enroll in any City-sponsored medical plan post-retirement, but the Eligible Member shall be responsible for paying the cost of any premium that exceeds the Benefit in accordance with City policy pertaining to retirees' payment of medical plan premiums.
 - D. Notwithstanding any other provision of this MOU, if an Eligible Member enrolls in a City-sponsored medical plan and the cost of the premium of such medical plan is less than the highest priced employee-only coverage high deductible medical plan offered to City employees, the Eligible Member shall not receive any payment, discount, or benefit in addition to the City paying the cost of the premium for the Eligible Member's chosen medical plan.
 - E. Notwithstanding the expiration or termination of this MOU, an Eligible Member who begins receiving the Benefit during the Term of this MOU shall continue to receive the Benefit until (i) the Eligible Member qualifies for Medicare or (ii) age 65 or such other minimum age otherwise entitling individuals to full Medicare benefits, notwithstanding any other requirement for Medicare eligibility, as such minimum age may be amended by the Federal government from time to time, subject to earlier permanent discontinuation of the Benefit as set forth in section 1(F), below.
 - F. The City shall permanently discontinue the Benefit for any Eligible Member who (i) cancels or determines not to enroll in a City-sponsored medical plan after the Eligible Member's date of retirement, or (ii) fails to timely pay the Eligible Member's portion of the monthly premium for the City-sponsored medical plan in accordance with City policy pertaining to retirees' payment of medical plan premiums. If the City discontinues an Eligible Member's Benefit pursuant to this section, the Eligible Member shall no longer be eligible to receive the Benefit in the future.
 - G. The Benefit shall be considered part of any total compensation analysis for purposes of negotiating future Collective Bargaining Agreements between the City and Local 2376.
2. The parties to this MOU acknowledge and agree that the Benefit, and all terms and conditions associated with the Benefit, set forth in section 1 of this MOU shall supersede and replace the Benefit set forth in Section 16.3 of the Collective Bargaining Agreement for so long as this MOU remains in effect. Notwithstanding the foregoing, this MOU does not alter, amend, or modify any provision of the Collective Bargaining Agreement.
 3. This MOU shall be effective November 1, 2022 and shall expire December 31, 2024, or upon the effective date of a new Collective Bargaining Agreement between the City and Local 2376, whichever comes first ("Term").
 4. Capitalized terms not defined in this MOU shall have the same meaning as set forth in the Thornton City Code.
 5. This MOU shall not be amended except by a writing signed by the parties hereto. Course of performance, no matter how long it continues, shall not constitute an amendment to this MOU.

DATED this 11 day of October, 2022.

CITY OF THORNTON


INTERNATIONAL ASSOCIATION
OF FIREFIGHTERS LOCAL 2376


Jan Kulmann, Mayor

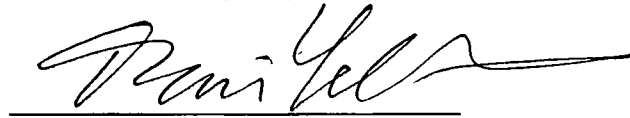

President

ATTEST:


Secretary


Kristen N. Rosenbaum, City Clerk

APPROVE AS TO LEGAL FORM:


Tami Yellico, City Attorney