

**SIDELETTER OF AGREEMENT
BETWEEN THE
TOWN OF LOSGATOS AND POLICE OFFICERS' ASSOCIATION
MAY 1, 2020**

The parties agree to the following language related to the addition of the PORAC Retiree Medical Trust (RMT) option as indicated in **Section 14.8** of the Memorandum of Understanding.

- A. The Association will establish participation in a retiree medical plan administered by the PORAC Retiree Medical Trust (PORAC RMT). This agreement to participate will apply to every employee, represented by the Association, hired by the Town after October 1, 2018. The cost of establishing and maintaining the Trust shall be at no cost to the Town, including administrative fees. The Town is not a party to the Trust, aside from transferring funds, and has no obligations to the management, regulatory compliance or performance of the trust. In the event the Trust becomes insolvent or unable to pay, the Town has no financial obligation to the Trust or the contributing members of the Association.
- B. The Town will transfer a monthly employee contribution of one hundred dollars (\$100.00) for each Association member deducted in fifty dollars (\$50.00) increments from the first two paychecks of each month (24 times per year). These contributions shall be on a pre-tax basis if permitted by law. As each member will contribute the same predetermined dollar amount, no member election forms designating the amount will be needed, allowed or requested; and there shall be no member election available to take the member contribution amount in cash, or to determine the member contribution amount. These contributions shall be included as salary for purpose of calculating retirement benefits as determined by the California Public Employees Retirement System (CalPERS).
- C. The Town will comply with reasonable procedures set by the Trust Office with regard to reporting and depositing the required contributions set forth above, typically involving providing the Trust Office with the name, social security number and amount paid for each Association member. In the event that the reporting requirement of the Trust requires reporting beyond that which the Town typically provides, the Town may require the Association to pay for any costs related to programing or producing such reports. Prior to engaging in any activity that could result in such an expense, the Town will secure the Association's authorization.
- D. The Association agrees to defend, indemnify and hold the Town harmless from any liabilities of any nature which may arise as a result of the operating of the PORAC RMT, except for the obligation of the Town to make and report the non-elective transfer of Association member contributions as described above.
- E. The monies contributed to the Trust fund shall only be used for retiree health insurance premiums or health care expenses, as allowed by law. There shall be no Association member election/option available to take such amount in unrestricted cash.
- F. The purpose of this Trust shall be to provide for retiree health care expense reimbursement benefits. The Trust shall be and remain separate and apart from any Town health insurance funding program, unless changed by mutual written agreement of the parties. The contributions

set forth above, unless otherwise dictated by law or rules set forward by CalPERS, shall be included as salary for purpose of calculating pension benefits.

- G. The Town hereby acknowledges receipt of the Trust Agreement governing the Trust. The Town will cooperate with the Trust in allowing a payroll audit only for the purpose of ascertaining if the proper amount of contributions have been made.

FOR POA:


Erin Lunsford, Police Sergeant


Kevin Elliot, Police Sergeant


Bill Hoyt, Police Corporal

TOWN OF LOS GATOS:

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Laurel Prevetti, Town Manager

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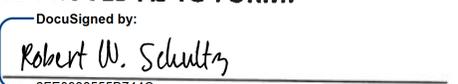
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Arn Andrews, Assistant Town Manager


Lisa Velasco, Human Resources Director

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Donna Williamson, Liebert Cassidy
Whitmore

APPROVED AS TO FORM:

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Robert Schultz
Town Attorney