



RESOLUTION No. 2014-3151

A RESOLUTION ADOPTING THE AMENDMENT TO THE COLLECTIVE BARGAINING AGREEMENT BETWEEN THE CITY AND THE NEWBERG-DUNDEE PUBLIC SAFETY AND AUTHORIZING THE CITY MANAGER PRO TEM TO EXECUTE THE MEMORANDUM OF UNDERSTANDING, AS WELL AS DELEGATING THE AUTHORITY TO MAKE SUCH AMENDMENT ON BEHALF OF THE CITY

RECITALS:

1. The qualifying member is highly interested and brought the request for this option to the City's attention due to the high tax consequences of not placing the accrued vacation leave into a deferred tax account.
2. The Human Resources Director (Dawn Wilson) and payroll representative (Pam Young) have been communicating with The Newberg-Dundee Public Safety Association's (the "Association's") president, along with a qualified member of the Association and the representative of the HRA VEBA plan.
3. The Association voted on May 22, 2014, approving the basis of the Memorandum of Understanding.

THE CITY OF NEWBERG RESOLVES AS FOLLOWS:

1. The city approves the Collective Bargaining Amendment for accrued vacation leave to be paid out into VEBA accounts upon retirement for members of the Association as per the terms stated in the Memorandum of Understanding, which is hereby attached as Exhibit A and by this reference incorporated.
2. The contract amendment, as stated in the Memorandum of Understanding, is only valid for the duration of the current contract, expiring June 30, 2014.
3. The city manager pro tem is authorized to execute the amendment to the Agreement with the Association on behalf of the city and to interpret the Agreement.
4. The city attorney will review and approve the Agreement as to legal sufficiency.

➤ **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: June 3, 2014.

ADOPTED by the city council of the city of Newberg, Oregon, this 2nd day of June, 2014.

Norma I. Alley, MMC, City Recorder

ATTEST by the Mayor this 5th day of June, 2014.

Bob Andrews, Mayor

MEMORANDUM OF UNDERSTANDING

**Amendment to Collective Bargaining Agreement
(for the Period 07/01/11 – 06/30/14)
Concerning Vacation Payout into VEBA Accounts**

Entered into this ____ day of June, 2014.

PARTIES:

City of Newberg <i>a municipal corporation</i> PO Box 970 Newberg, OR 97132 (503) 537-1207	The Newberg-Dundee Public Safety Association 414 East Third Street Newberg, OR 97132 (503) 538-8321
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City of Newberg is hereinafter referred to as "**City**."
The Newberg-Dundee Public Safety Association is hereinafter referred to as "**Association**."

RECITALS:

1. The current Collective Bargaining Agreement, ratified by Resolution No. 2011-2952 on 11/07/11, is for the period of 07/01/11 through 06/30/14.
2. The Association voted on May 22, 2014, approving the basis of this Memorandum of Understanding.
3. The **City** has adopted the HRA VEBA plans offered and administered by the Voluntary Employees' Beneficiary Association Trust for Public Employees in the Northwest (collectively the "Plans"):
 - a) the **Standard HRA Plan**, which will be integrated with the Employer's or another qualified group health plan and to which the Employer will remit contributions on behalf of eligible employees who are enrolled in or covered by such qualified group health plan and any other contributions that may be permitted by applicable law from time to time; and
 - b) the **Post-separation HRA Plan** to which the Employer may remit contributions on behalf of eligible employees, including eligible employees who are not enrolled in or covered by the Employer's or another qualified group health plan, and which shall provide benefits only after a participant separates from service or retires. Employer agrees to contribute to the Plans on behalf of all employees in The Newberg-Dundee Public Safety Association ("Association") defined as eligible to participate in the Plans. Each eligible employee must submit a completed and signed Enrollment Form to become an eligible participant and become eligible for benefits under the Plans.

4. Contributions on behalf of each eligible employee are based on the following funding source/formula:

Vacation leave cash-outs upon retirement. Eligibility is limited to employees who retire with vacation leave cash-out rights during the term hereof. Employer contributions will include the entire cash-out value of all unused vacation leave days accrued and available for cash-out upon retirement per negotiated agreement or **City** policy.

NOW, THEREFORE, THE PARTIES ENTER INTO THE FOLLOWING UNDERSTANDING:

1. Vacation leave accrued time may be paid-out upon retirement and placed into the HRA VEBA account that the members of the Association are currently enrolled in.
2. The term of this agreement shall be from the date that this Memorandum of Understanding is entered into through June 30, 2014.

DATED this ____ day of June, 2014.

City of Newberg

The Newberg-Dundee Public Safety Association

Lee Elliott
City Manager Pro Tem
Authorized via Resolution No. 2014-3151
on June 2, 2014

Nathan James
Association President

Approved as to Legal Sufficiency

Truman A. Stone
City Attorney

Daryl S. Garrettson, Attorney at Law
Labor Representative