

RESOLUTION NO. 15-1019

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON, AUTHORIZING THE MAYOR TO EXECUTE THE SECOND MEMORANDUM OF UNDERSTANDING TO THE COLLECTIVE BARGAINING AGREEMENT BETWEEN THE CITY OF BLACK DIAMOND AND BLACK DIAMOND POLICE OFFICERS ASSOCIATION

WHEREAS, the Black Diamond Police Officers Association (the "Association") is the authorized bargaining representative for the Black Diamond Police Officers; and

WHEREAS, the Association was formed in 2008; and

WHEREAS, on February 19, 2015 the City and the Association executed a Collective Bargaining Agreement ("CBA") effective August 31, 2014 through December 31, 2016; and

WHEREAS, the Association members have agreed to add additional life insurance coverage at each members expense; and

WHEREAS, it is mutually understood and agreed by and between the parties that all Association members will participate in the additional life insurance coverage offered by WACOPS through CIGNA at such costs as established by the insurer;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, DOES RESOLVE AS FOLLOWS:

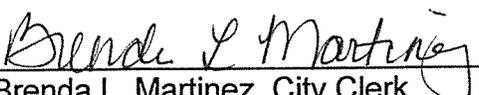
Section 1. The City Council hereby authorizes the Mayor to execute the Second Memorandum of Understanding to the Collective Bargaining Agreement, substantially in the form attached hereto as Exhibit A.

PASSED BY THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 5TH DAY OF MARCH, 2015.



Carol Benson, Mayor

Attest:



Brenda L. Martinez, City Clerk

SECOND MEMORANDUM OF UNDERSTANDING
CITY OF BLACK DIAMOND
AND
BLACK DIAMOND POLICE OFFICERS' ASSOCIATION

1. Date of Agreement. This Second Memorandum of Understanding (MOU-2) is effective upon execution by the City of Black Diamond (City) and the Black Diamond Police Officers' Association (Association).

2. Background and Purpose.
 - 2.1 The Parties have executed a Collective Bargaining Agreement for the period from August 31, 2014 to December 31, 2016 (CBA)
 - 2.2 The Association members have agreed to add additional life insurance coverage.

3. Additional Agreed Coverage
 - 3.1. It is mutually understood and agreed by and between the parties that all Association members will participate in the following additional coverage offered by WACOPS through CIGNA at such costs as established by the insurer:
 - \$100,000 Life/AD&D/Seat Belt

This additional coverage shall be at the employees' sole expense and cost. A summary of the life insurance coverage is attached to this MOU-2 as Exhibit A.

4. Confirmation of Agreement Terms. All other terms and conditions of the CBA shall remain unchanged and in full force and effect.

CITY OF BLACK DIAMOND

BLACK DIAMOND POLICE OFFICERS'
ASSOCIATION

Date: 3/6/2015

Date: 3/25/2015



Carol Benson
Mayor



Brian A. Martinez
President

CIGNA – Long Term Disability and Life Insurance Program
As of
January 01, 2015

DISABILITY FEATURES	BASIC PLAN	BASIC PLUS	ENHANCED PLAN	ENHANCED PLUS
Maximum Salary Requirement	\$12,500	\$11,250	\$12,500	\$11,250
Benefit %	60%	66 2/3%	60%	66 2/3%
Maximum Benefit	\$7,500 ¹	\$7,500 ¹	\$7,500 ¹	\$7,500 ¹
Minimum Benefit	10% or \$100	10% or \$100	10% or \$100	10% or \$100
Elimination Period				
Off the Job	30 days	30 days	30 days	30 days
On the Job	180 days	180 days	180 days	180 days
Definition of Disability				
Own Occupation	24 months	24 months	36 months	36 months
Any Occupation	Age 67, SSNRA	Age 67, SSNRA	Age 67, SSNRA	Age 67, SSNRA
Income Protection				
Own Occupation	80%	80%	80%	80%
Any Occupation	80%	80%	80%	80%
Survivor Benefits	3 Months	3 Months	24 Months ²	24 Months ²
Benefit Offsets				
Sick Pay Received	Yes	Yes	Yes	Yes
L&I	Yes	Yes	Yes	Yes
Social Security	Primary ³	Primary ³	Primary ³	Primary ³
Employer Dis./Retirement Benefits	Yes	Yes	Yes	Yes
Return to Work Earnings	Benefit & Work = 100% ⁴			
Child Care Credit	None	None	24 Months	24 Months
LIFE INSURANCE BENEFITS	BASIC	BASIC PLUS	ENHANCED	ENHANCED PLUS
Line of Duty AD&D Insurance	\$25,000	\$25,000	\$50,000	\$50,000
Life Insurance	\$10,000	\$10,000	\$15,000	\$15,000
AD&D Insurance	\$30,000	\$30,000	\$30,000	\$30,000
Dependent Life Insurance	\$2,000	\$2,000	\$2,000	\$2,000

DISABILITY/LIFE PLAN RATES ⁵	BASIC	BASIC PLUS	ENHANCED	ENHANCED PLUS
Rates 01/01/15 to 12/31/15	\$64.56	\$84.16	\$74.58	\$97.09

Additional cost per Month for Guild to add:		Everyone in Guild must participate	
\$5,000 Life/AD&D/Seat Belt	\$1.20	\$50,000 Life/AD&D/Seat Belt	\$12.00
\$10,000 Life/AD&D/Seat Belt	\$2.40	\$75,000 Life/AD&D/Seat Belt	\$18.00
\$15,000 Life/AD&D/Seat Belt	\$3.60	\$100,000 Life/AD&D/Seat Belt	\$24.00
\$20,000 Life/AD&D/Seat Belt	\$4.80		

¹ Lifetime benefit for drug & alcohol is 24 months. ² Payable at 3 times monthly amount if disability benefits paid less than 12 months.

³ Dependents Social Security benefits would be paid in addition to the 60 % or 66 2/3% benefit. ⁴ For the first 24 months. After those 24 months, the Benefit Offset is one-half your Work Earnings. ⁵ Non-WACOPS rates are higher than shown.

CIGNA – Long Term Disability and Life Program

CIGNA and affiliated companies provide this coverage. This coverage summary is a simplified overview for descriptive purposes only of the insurance coverage and does not interpret or supersede the policy conditions. The precise coverage afforded is subject solely to the terms, conditions, warranties and exclusions of the policies issued. Please note that the policy terms and conditions must be followed precisely or coverage may be void. Please read the policies carefully.

Definition of Terms

DISABILITY FEATURES	Definition
Maximum Salary Requirement	This amount is the maximum monthly salary that caps the benefit at the Maximum Benefit amount. (i.e., \$11,250 x 66 2/3%= \$7,500)
Benefit %	This is the percentage of your salary that you will receive as a claim. The Benefit is designed to less than 100% replacement as an incentive to return to work. It should be noted that tax consequences make this gap less than it appears. The higher the number, the better the plan.
Maximum Benefit	This is the maximum Benefit per Month that a Claimant can receive. The higher the number, the better the plan.
Minimum Benefit	This is the Minimum Benefit per Month that a Claimant can receive. The higher the number, the better the plan.
Elimination Period Off the Job On the Job	The Elimination Period is effectively a "Time" Deductible. For example, a 30 day Elimination Period requires 30 days off work prior to perfecting a claim. Injuries occurring "Off the Job" have a shorter Elimination Period than those occurring "On the Job" because there are usually other benefits available "On the Job" such as Workers Compensation, Sick Time and Short-Term Liability policies. A shorter Elimination Period allows Benefits to pay sooner. The lower the number, the better the plan.
Def. of Disability Own Occupation Any Occupation	This helps define the extent of a Disability. A claimant can be disabled so that they can no longer perform the normal duties required in their Own Occupation. Or it can be worse so they no longer can perform the duties required in Any Occupation. There are times and age limits that further help define the degree of disability. The shorter the time limit and longer the age limit, the broader the benefit. The higher the number, the better the plan.
Income Protection Own Occupation Any Occupation	This is an earnings test to also help define the disability. The coverage is triggered if your income drops below a certain percentage. The higher the number, the better the plan.
Survivor Benefits	This Benefit provides continued payments to the survivor in the event of the claimant's death. The longer the payout, the better the plan.
Benefit Offsets Sick Pay Received L&I Soc. Sec. Employer Dis./Retirement Benefits Return to Work Earnings	Income from other sources offset the claim payments. This provision requires other sources of income to be used first or in conjunction with the Benefit. The intent is to lower the possibility of a claimant receiving more money when disabled than they received when they were healthy. Each Benefit Offset has subtleties and the policy should be reviewed carefully. The less number and restrictiveness of the Offsets, the better the plan.

CIGNA – Long Term Disability and Life Program

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Definition of Terms

LIFE INSURANCE BENEFITS	
Line of Duty AD&D Insurance	AD&D Insurance provides a lump sum payment if the claimant suffers an accidental death or dismemberment. The amount paid is scheduled based on the type and severity of injury. "Line of Duty" requires the accident to occur on the job. The higher the limit, the better the plan.
Life Insurance	Life insurance pays a lump sum to the deceased estate upon proof of death of an insured. The higher the limit, the better the plan.
AD&D Insurance	See above AD&D definition. This limit will pay if the accident occurs on or off the job. Cigna will pay this amount in addition to the Line of Duty benefit above if the accident occurs on the job. The higher the limit, the better the plan.
Dependent Life Insurance	This Life insurance pays a lump sum to the deceased estate upon proof of death of a dependent spouse. The higher the limit, the better the plan.
Life/AD&D/Seat Belt	This coverage pays if the insured is injured in a car accident and is wearing their seatbelt. This is an optional coverage and requires additional premium. The higher the limit, the better the plan.

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Rachel Pitzel

From: Brian A Martinez
Sent: Friday, February 06, 2015 10:57 AM
To: Brenda Martinez
Cc: Brian Lynch; Kris Chatterson
Subject: RE: Life Insurance Question
Attachments: 2015 WACOPS Program Summary.pdf

Thanks Brenda!

Okay the guild is looking at adding the \$100,000 Life/AD&D/Seat Belt benefit at \$24 per month. We have 100% agreement from the guild and have agreed to have it deducted monthly from our checks. This of course does not change our prior agreement with the city in regards to the WACOPS benefits that are already provided. We understand that we will be paying the \$24 for this added benefit.

I've included the 2015 rate sheet which shows the cost and summarizes the plan.

Thanks for handling this, we all appreciate it!

Brian M.

From: Brenda Martinez
Sent: Thursday, February 05, 2015 1:02 PM
To: Brian A Martinez
Subject: Life Insurance Question

Hi Brian,

I talked with our personnel attorney and she suggested that rather than change the contract it would be better for the Association and the City to enter into an MOU for this. Give me a call or stop by when you are free and we can discuss further.

Oh and I didn't get a chance to talk with you much at the fundraiser you put on for Greg, but I wanted to thank both you and your beautiful wife for a job well done – it was an amazing night! Greg and his family are so blessed to have you both.

Take care,

Brenda L. Martinez, CMC

City Clerk/Human Resource Manager

City of Black Diamond

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24301 Roberts Drive

Black Diamond, WA 98010

Phone: 360-886-5700

Fax: 360-886-2592

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