



Joint Benefits Agreement

between

City of Henderson, Nevada

and

International Association of Firefighters

Local 1883

and

The Henderson Police Officers' Association

and

The Henderson Police Supervisors Association

January 1, 2019 through December 31, 2022



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PREAMBLE:

This Joint Benefits Agreement is entered into by and between the City of Henderson, hereinafter referred to as the City, and the International Association of Firefighters Local 1883 (IAFF), the Henderson Police Officers' Association (HPOA), and the Henderson Police Supervisors' Association (HPSA), hereinafter referred to as the Unions. Collectively the City and the Unions may be referred to as the Parties.

The purpose of this Joint Benefits Agreement is to achieve and maintain harmonious relations between the Parties; to provide eligible City employees who are represented by the Unions the opportunity to participate in the City's benefit plans for the welfare of the employees and their eligible dependents; to promote administration of the City's plans in the interests of the beneficiaries and in a manner to ensure the continued financial viability of the plans; and to assure the equitable and peaceful adjustment of differences that may arise out of its terms.

ARTICLE 1. RECOGNITION:

The City has recognized the IAFF, the HPOA, and the HPSA as the bargaining agents for certain bargaining units of employees described in their respective Labor Agreements for the purpose of collective bargaining as set forth in NRS Chapter 288. Nothing in this Joint Benefits Agreement alters the scope or definition of the bargaining units, or the City's recognition of each of the Unions as the bargaining agents for their designated units.

Collectively, the bargaining unit employees represented by the Unions are referred to as the Represented Employees. All other employees of the City are referred to as the Non-Represented Employees.

ARTICLE 2. PARTICIPATION IN THE SELF-FUNDED INSURANCE PLAN:

Section 1: Self-Funded Insurance Plan:

The City will make available to eligible Represented Employees participation in the Self-Funded Employee Health Insurance Plan (the Self-Funded Plan) on the same basis and under the same terms such participation is offered to similarly situated, eligible Non-Represented Employees. The Self-Funded Plan offers medical, dental, prescription drug, vision benefits and Employee Assistance Program to participants. The Self-Funded Plan is governed by a Summary Plan Description and federal, state and local law. In the event of conflicts between the Summary Plan Description and/or federal, state or local law and this Joint Benefits Agreement, the Summary Plan Description and/or federal, state or local law control.

Section 2: The City of Henderson Self-Funded Health Insurance Committee:

The Self-Funded Plan is managed by the City's Self-Funded Health Insurance Committee (the Committee).

The Committee is governed by the Amended and Restated City of Henderson Self-Funded Health Insurance Committee By-Laws (the By-Laws), which may be amended as provided in the By-Laws subject to approval of the City Manager. The City Manager is the ultimate authority for these Plans through Henderson Municipal Code 2.10.040. With this Agreement the City Manager delegates his authority as defined in HMC 2.10.040 to the Committee relative to these benefit Plans, with the exception being the tie-breaking process detailed in the Committee's by-laws. The Committee will normally meet on a monthly basis to manage the business related to the Benefit Plans.

In accordance with the By-Laws, the Committee will consist of eight (8) employee voting members, equally divided among Represented and Non-Represented Employees. The By-Laws also provide that alternate members will be identified and participate in meetings and will become voting members in the absence of the standing member(s).

The four (4) non-represented employee Committee members are appointed by the City Manager, one of whom is the City's Director of Human Resources. The City Manager also may appoint four alternates. The four (4) additional members of the Committee are appointed by the Unions. See chart below:

Union Representatives	Voting Members	Alternate Members
Henderson Police Officers' Association	Two	Two
Henderson Police Supervisors Association	One	One
International Association of Firefighters Local 1883	One	One
City Manager Appointments		
Non-Represented Employees	Four	Four

Committee members and alternates must be employees of the City who are participants in the Self-Funded Plan.

The Unions agree to participate in the City's Benefit Plans for the term of this agreement through the Committee structure.

The City and the Unions expressly agree that the time spent by the Union's employee representatives in performing duties or providing services toward the purpose of this Agreement and in obtaining these joint benefits, and the allowance for the Committee meetings and future negotiations

to be conducted during normal work hours without payment for such time or reimbursement by the Unions for such time have been negotiated with sufficient concessions pursuant to existing Nevada law.

Section 3: Financial Performance of the Internal Services Fund:

An internal service fund has been established for the purpose of managing the income and expenses for the Benefit Plans identified in Section 1 ("the Fund"). The financial elements of a long-term, viable benefit fund consist of monthly employer contributions, interest earning, monthly employee contributions, plan design, administrative resources, risk mitigation vehicles and financial reserves. Each year, the Committee's consultant provides a forecast of expenses for the following calendar year for the Benefit Plans. This forecast includes an analysis of the current expense profile and the projected benefit cost experience and inflation for the following Benefit Plan year. This projection leads to a projected surplus or deficit and it is the Committee's obligation to manage within the established parameters for the Fund, while ensuring the long-term viability of the Fund.

Section 4: Employer Contributions in 2019:

For calendar year 2019, the Self-Funded Insurance Committee's consultant projected that the Self-Funded Plan did not need an increase in funding. As a result, the Parties agree that rates remain identical to rates set for calendar year 2018.

Effective January 1, 2019 through December 31, 2019, the City's contribution to the Fund for all participating employees is One Thousand Forty-Two Dollars and zero cents (\$1042.00) per month.

Section 5: Employee Contributions in 2019:

Effective January 1, 2019 through December 31, 2019, participating employees will contribute monthly the following amounts:

<u>Health Plan of Nevada (HPN)</u>	
Employee Only	\$73.79
Employee plus Spouse	\$176.45
Employee plus Child(ren)	\$136.82
Employee, Spouse and Child(ren)	\$224.75
<u>City Self-Funded (PPO)</u>	
Employee Only	\$92.24
Employee plus Spouse	\$220.56
Employee plus Child(ren)	\$171.02
Employee, Spouse and Child(ren)	\$280.94

Section 6: Employer-Employee Cost Sharing Structure:

Effective January 1, 2020, the Parties agree that increases/decreases will be shared according to the following process:

Annually, the Self-Funded Insurance Committee's consultant presents projections of needed funding for the upcoming calendar year for the Self-Funded Plan. Based on the projections submitted, the Committee will determine the funding level needed for the upcoming year for the Self-Funded Plan. The Parties agree to rely upon the Committee's determination. Funding level increase above the current year's rates will be split at an 85% to 15% ratio. The City will contribute 85% of the funding increase needed and the blended employee rates will cover the remaining 15% of the funding increase. The Self-Funded Health Insurance Committee will decide how the employee rate increases will be applied to each tier to make up the 15% increase in premiums (i.e., the Self-Funded Committee will vote to determine the upcoming calendar year employee contribution rates). The 85%/15% split will be based on the enrollment as of July 1.

Section 7: Continuity of Medical Benefits:

As with all active employees, each calendar year the Committee will establish the rates charged to retirees for all levels of coverage for the following calendar year.

Should the City no longer offer the benefits within the Self-Funded Health Insurance Plan, the City will be liable for the maximum negotiated monthly contribution for each employee covered by this Agreement, for the purposes of funding a group benefit plan. The City is not required to pay individual employees the maximum negotiated monthly contribution as a form of income.

Section 8: Guidance:

In the event of a Member's death and upon request, the City will provide guidance to the beneficiaries regarding medical benefits.

ARTICLE 3. RETIREE HEALTH INSURANCE PREMIUM ASSISTANCE PLAN:

Section 1: Eligibility for the Retiree Health Insurance Premium Assistance Plan (RHIPA Plan)

Employee eligibility for retiree health insurance premium assistance is dependent on the date that an employee becomes enrolled in the Retirement Health Savings (RHS) and Retiree Health Insurance Premium Assistance (RHIPA) plans. Any employee that participated in the Voluntary Employee Severance Program is ineligible for this benefit.

A. Active full-time regular employees enrolled in the RHS and RHIPA plans as of December 31, 2018:

For these employees, they will be eligible for the retiree health insurance premium assistance if they were enrolled in the RHS and RHIPA plans as of December 31, 2018, retire with ten (10) years of full-time regular service with the City of Henderson as defined in Article 3, Section 4 and receive benefits from the Nevada Public Employees' Retirement System.

B. Active, full-time regular employees hired, re-hired, transferred or promoted to a position covered by this agreement and who are enrolled in the RHS and RHIPA plans on or after January 1, 2019:

An employee will be eligible for the retiree health insurance premium assistance under this Joint Benefit Agreement if the employee is in a position represented by a Union that is a Party to this Joint Benefit Agreement; enrolled in the RHS and RHIPA plans for at least ten (10) total years at the time of retirement and is receiving benefits from the Nevada Public Employees' Retirement System of Nevada. For this group of employees, years of service are defined as full-time regular employment with the City of Henderson in a position covered under this Joint Benefits Agreement during which the employee is enrolled in the RHS and RHIPA programs, and includes time served up to and after a break in service.

Section 2: Retiree Costs in the Self-Funded Plan:

Annually, the Committee will establish the cost of participating in the Self-Funded Plan for eligible retirees for all levels of coverage for the following calendar year.

Section 3: Premium Assistance:

Under the RHIPA Plan, early retirees who participate in the Self-Funded Plan may receive premium assistance.

- (a) Effective January 1, 2019 eligible retirees receive Pre-65 and Post-65 premium assistance benefits as follows:

Eligible Retirees who leave the Self-Funded Plan when they become Medicare eligible, including retirees who become Medicare eligible prior to age 65 due to disability, may be eligible to receive fifty percent (50%) of the value of the monthly premium assistance through monthly contributions to their retirement health savings accounts. This value will be accomplished through a monthly contribution to the retiree’s Retirement Health Savings account from the sub-account assets.

Years of Service	Pre-65* Benefits: Monthly Premium Reduction	Post-65 Benefits: Years of Post-65 Benefits at 50%
25	\$500	17
20	\$400	11
15	\$300	6
10	\$200	0 **

*Retirees eligible for Medicare due to disability prior to age 65 will receive the Post-65 benefits.

**Refer to Section 3(c) in this Article for grandfathering provision.

- (b) Employees who are hired on or after January 1, 2019 receive Pre-65 premium assistance benefits.

Years of Service	Pre-65 Benefits: Monthly Premium Reduction
25	\$500
20	\$400
15	\$300
10	\$200

- (c) Current post-65 retirees with ten (10) years of service or those retirees who will become eligible for post-65 benefits by December 31, 2019 will receive \$100 per month in their RHS account from their date of post-65 eligibility through December 31, 2019.

- (d) The monthly retiree medical subsidy will be increased by ten percent (10%) beginning on January 1, 2029 and every five (5) years thereafter.

Section 4: Definition of “Years of Service:”

The term “years of service” is defined as regular full-time employment with the City of Henderson and covered under the Self-Funded Plan. For the purpose of calculating the monthly premium reduction, employees must reach the defined level of service before they leave the City. There is no proration of the benefit between the years of service levels designated in this section. Nevada PERS-eligible service at an employer other than the City of Henderson is not applicable to the years of service level for the purposes of RHIPA eligibility.

Section 5: Early Retirees Waiving City Coverage:

Eligible early retirees who waive coverage at the time of their retirement because they have alternative coverage are eligible to return to the City's health insurance plans in accordance with NRS 287.0205. Should this occur, the early retiree may receive a monthly premium benefit in accordance with Article 3, Section 3.

Section 6: Non-Retirement Separation:

Eligible employees who leave their employment with the City and do not immediately retire within Nevada PERS will be eligible for the appropriate monthly premium reduction when they retire within Nevada PERS and return to the City's plans in accordance with NRS 287.0205. The retiree may receive a monthly premium benefit in accordance with Article 3, Section 3.

Section 7: Married Employees:

Eligible employees who are married will each be entitled to their own monthly premium reduction upon their retirement based on their years of service. Should one of these employees become a surviving spouse and their spouse's monthly premium reduction is a larger amount, the surviving spouse would receive the higher premium reduction.

Section 8: Funding the RHIPA Plan:

Beginning January 1, 2019, full-time, regular employees will be subject to a reduction of their City paid retirement health savings (RHS) contribution of sixteen dollars and fifty cents (\$16.50) per pay period for regular PERS positions and twenty-two dollars (\$22.00) per pay period for public safety PERS positions. These amounts will be deposited into a sub-account within the Fund to finance benefits under the RHIPA Plan. Employee contributions to the sub-account will be increased by ten percent (10%) every five years.

The City will contribute \$230,000.00 to the retiree medical sub-account on July 1, 2019 and each July 1st thereafter in which the RHIPA remains in effect.

Section 9: Surviving Spouse:

The Surviving Spouse of a City Retiree will continue to receive the RHIPA in the amount and the duration owed to the deceased retiree. This means that the Surviving Spouse shall receive the deceased retiree's premium assistance only for as long as the deceased retiree would have been eligible to receive it under the terms of the Agreement.

Any residual amount of previous health savings account contributions above those required for the sub-account shall be treated in the manner set forth in each of the Union's individual collective bargaining agreements.

Section 10: Continuity of Benefits:

If at a future date the Parties agree that this RHIPA Program is no longer viable on an on-going basis, the Parties shall begin negotiations to resolve the issues of the distribution of the sub-account balance.

ARTICLE 4. GRIEVANCE PROCEDURE:

A grievance is defined as any dispute which arises regarding an interpretation, application, or alleged violation of any specific provisions of this Joint Benefits Agreement. This Article 4 contains the exclusive procedure for the resolution of all such grievances, which specifically include grievances challenging the contributions required by the City under the terms of this Agreement and/or grievances alleging a violation of the Retiree Health Insurance Premium Assistance Plan (RHIPA) provisions contained in this Agreement. Excluded from this grievance procedure are any subjects covered by the dispute resolution procedures contained in the benefit plans, such as disputes by plan participants regarding their eligibility for benefits, the amount of benefits, or duration of benefits to be received under a plan.

During this Agreement, the Unions will identify a designated Grievance Spokesperson to act as their collective spokesperson for any disputes covered under this Article 4 to submit or receive any grievances on their behalf. Additionally, the Unions will identify a member of one of their Unions as Grievance Representative to participate in the Step 2 hearing defined below.

STEP 1:

The designated Grievance Spokesperson and the Director of Human Resources or designee will meet in an effort to resolve any grievance before it is submitted in writing.

If the Grievance Spokesperson and the Director of Human Resources or designee are unable to resolve a grievance, it may be formalized as a written grievance at Step 2.

STEP 2:

If Step 1 is unsuccessful, the Grievance Spokesperson or Director of Human Resources may present the other a signed written grievance. All grievances must be submitted at Step 2 within thirty (30) calendar days of the alleged violation of this Joint Benefits Agreement or the first time a Represented Employee, the Unions, or the City became aware of or reasonably should have become aware of the alleged violation. In the event that the Step 1 resolution meeting is delayed beyond the parties' control, the parties may mutually agree in writing to a reasonable extension beyond the thirty (30) calendar days.

A meeting will be scheduled by the City to review the grievance for possible resolution. The meeting will be held no later than fourteen (14) calendar days from the date of receipt of the written grievance by the party who is not providing the written grievance. An Assistant City Manager or designee and the Union's Grievance Representative will conduct a review of the grievance. Both parties will have the opportunity to present the facts as they view them and the Assistant City Manager or designee and the Grievance Representative will have the opportunity to ask questions and request additional information from agreed-upon sources.

Within thirty (30) calendar days of the Step 2 meeting, the Assistant City Manager or designee and Grievance Representative will provide their written consensus decision or report that consensus regarding the grievance has not been reached.

The parties may either accept a consensus decision as binding or request arbitration as defined in Step 3 of this grievance procedure. Failure to request arbitration through a written communication to the other party during the ten (10) calendar-day period after the decision is issued will be viewed as acceptance of the decision and the matter will be considered resolved.

STEP 3:

Within ten (10) calendar days after receipt of a consensus decision or report that consensus at Step 2 has not been reached, either party may request that the grievance be subject to binding arbitration. An arbitrator will be selected from a panel of qualified individuals who are members of the National Academy of Arbitrators provided by the Federal Mediation

and Conciliation Service. The parties will alternately strike names from the panel until a single arbitrator remains. The arbitration should be scheduled as quickly as possible.

The Arbitrator shall have no authority to add to, delete from, supplement or alter or amend any provision of this Joint Benefits Agreement. The Arbitrator's decision shall be final and binding, except based upon grounds provided by the Federal Arbitration Act. The non-prevailing party shall pay the fee and related expenses of the Arbitrator. If the Unions are the non-prevailing party, the Arbitrator's fee would be split equally among the three Unions.

The parties shall bear their own expenses for attorneys, court reporters and other related arbitration expenses.

ARTICLE 5. COMPLIANCE WITH PROHIBITION ON STRIKES:

Section 1: The Unions acknowledge the prohibitions contained in NRS §288.230 – 288.260.

Section 2: Despite possible disputes, the Unions and their members will continue to furnish efficient fire and police protection to the City.

ARTICLE 6. SAVINGS CLAUSE:

This Agreement shall be binding upon the successors and assigns of the parties hereto, and no provisions, terms or obligations herein contained shall be affected, modified, altered or changed in any respect whatsoever by the consolidation, merger, annexation, transfer, or assignment of either party hereto, or affected, modified, altered, or changed in any respect whatsoever by any change of any kind of the ownership, or management, of either party hereto, or by any change geographically or otherwise in the location or place of business of either party hereto, insofar as it is possible for the City and the Unions to bind their successors.

ARTICLE 7. AGREEMENT SEVERABLE:

This Agreement is declared to be severable and if any paragraph, phrase, or part is declared to be void by a court of competent jurisdiction, or modified or rendered moot by legislative action, it shall not be construed to void or nullify the entire Agreement, and those parts not declared void shall be binding upon the parties. The parties agree that, if and when any provision of this Agreement is held or determined to be illegal or void, they will then promptly enter into lawful negotiations concerning the substance thereof. This Agreement is the entire Agreement of the parties terminating all prior Agreements.

ARTICLE 8. SOLE AND ENTIRE AGREEMENT:

The Parties agree that they have negotiated fully with respect to all mandatory subjects of bargaining addressed in this Joint Benefits Agreement and that it constitutes the Parties' complete and final understanding, and that certain Memoranda of Agreement that modified previous iterations of the Joint Benefits Agreement from 2013 - 2018, entered into between the City and each individual Union, each dated October 16, 2013 and entitled "MOA Retiree Medical Pricing," are hereby declared void upon the effective date of this Joint Benefits Agreement.

ARTICLE 9. EFFECTIVE DATE:

This Agreement shall be effective January 1, 2019 through December 31, 2022 and will be automatically renewed from year to year thereafter, unless either the City or the Unions serve written notice no later than February 1, 2022, or any February 1st thereafter, that it desires to modify or terminate this Agreement.

DEFINITIONS:

This Agreement is made pursuant to and in conjunction with the Local Government Employee-Management Relations Act of the State of Nevada, and all terms used herein which are terms used in the Local Government Employee-Management Relations Act shall have definitions ascribed to them by said Act.

Arbitrator: An impartial third party chosen in accordance with the provisions of this contract.

Assistant City Manager: The person designated by the City as the co-hearing officer for Step 2 grievance hearings.

Self-Funded Insurance Committee: A Committee of eight (8) active employees of the City; evenly split between the three (3) public safety unions and the non-represented employees of the City, charged with management of the designated employee benefit plans as defined in the associated by-laws, as approved by the City Manager.

Retirement Health Savings Account: Individually controlled accounts subject to employer contributions on a per pay period basis, that are used to pay eligible health care expenses when retired.

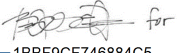
Sub-account: A separate account within the internal service fund established to provide the employee benefits identified in this Agreement, established for the purpose of employees collectively pooling their resources to facilitate more favorable pricing for these benefits once retired.

Impact Bargaining: Collective bargaining requested by the unions when management decisions are made or external legal or legislative actions impact mandatory subjects of bargaining as defined in NRS 288.150.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the Effective Date.


Date of Council Action: December 18, 2018

**CITY OF HENDERSON
CLARK COUNTY, NEVADA**


DocuSigned by:

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RICHARD DERRICK
City Manager/CEO

03/27/2019
Date

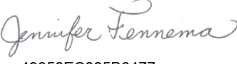
ATTEST:

DocuSigned by:

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SABRINA MERCADANTE, MMC
City Clerk

APPROVED AS TO FUNDING:

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JIM MCINTOSH
Chief Financial Officer

APPROVED AS TO CONTENT:

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JENNIFER FENNEMA
Director of Human Resources

APPROVED AS TO FORM:

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NICHOLAS G. VASKOV
City Attorney


DS
CAO
Review


INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS LOCAL 1883

DocuSigned by:

C76FDCBC0A74407...
Name: Dan Pentkowski
Title: President


03/14/2019
Date

HENDERSON POLICE OFFICERS' ASSOCIATION

DocuSigned by:

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Name: Kenneth Kerby
Title: President

03/14/2019
Date

HENDERSON POLICE SUPERVISORS ASSOCIATION

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Name: Kevin Abernathy
Title: President

03/19/2019
Date