CITY OF HAYWARD

Cover Memo

File #: CONS 23-214, **Version:** 1

DATE: May 16, 2023

TO: Mayor and City Council

FROM: Director of Human Resources

SUBJECT

Adopt a Resolution Approving an Amended Agreement between the City of Hayward and the Hayward Fire Chiefs' Association ("HFCA") and Authorizing Staff to Execute the Side Letter of Agreement to Revise Vacation Leave Payout Contributions Upon Service or Disability Retirement from the City to the Voluntary Employee Beneficiary Association (VEBA) Plan

RECOMMENDATION

That the Council adopts a resolution (Attachment II) authorizing an amended side letter of agreement between the City of Hayward and the Hayward Fire Chiefs' Association ("HFCA") to revise vacation leave payout contributions upon service or disability retirement from the City to the Voluntary Employee Beneficiary Association (VEBA) Plan.

SUMMARY

The City makes available to members of the HFCA group, the VEBA Plan that enables eligible employees to accumulate funds in a tax-exempt trust for reimbursement of qualified medical expenses.

Pursuant to the terms of the HFCA VEBA agreement, changes to the plan are made with the consensus of the majority of participants. Currently, members of HFCA upon service or disability retirement from the City, are required to contribute 75% of vacation leave payout to their VEBA account. The HFCA group voted and unanimously agreed on decreasing contributions from seventy-five percent (75%) to twenty-five percent (25%) of any vacation leave payout upon service or disability retirement from the City. Participants are required to contribute one hundred percent (100%) of any eligible sick leave payout after any sick leave hours have been converted to CalPERS service credit in accordance with Government Code Section 20965. In addition, members will be required to contribute twenty-five percent (25%) of any vacation leave payout and fifty percent (50%) of compensatory time payout to their VEBA account.

ATTACHMENTS

Attachment I   Staff Report
Attachment II   Resolution