

**MODESTO CITY COUNCIL
RESOLUTION NO. 2008-599**

**A RESOLUTION AUTHORIZING THE EMPLOYEES REPRESENTED BY
MODESTO CITY FIRE FIGHTERS ASSOCIATION TO PARTICIPATE IN THE
CENTRAL VALLEY RETIREE MEDICAL TRUST**

WHEREAS, pursuant to the Memorandum of Understanding between the City of Modesto and the Modesto City Fire Fighters Association (MCFFA) authorized by Council on December 12, 2006, the parties agreed to implement a tax deferred savings plan to provide for tax deferral of employee leave cashouts. The specific savings plan instrument was to be mutually agreed to by the parties and at no expense to the City, and

WHEREAS, the City and MCFFA have now agreed to implement employee participation in the health savings program identified by MCFFA, the Central Valley Retiree Medical Trust (CVRMT), and

WHEREAS, participation will require the mandatory cashout of all earned but unused vacation hours into the savings plan upon an employee's separation from City service or upon retirement, with no option for the employee to receive cash for said hours upon separation or retirement. A mandatory employee contribution into the plan of one hundred dollars (\$100) per month, to be made by all active employees on an on-going basis, will also be required, and

WHEREAS, as an interim measure, it has been mandatory that all earned but unused vacation hours owed to any employee in the bargaining unit represented by MCFFA who retired or separated from City service on, or after, December 30, 2007 have not been available for cashout to the employee. Instead, funds equal to the cash value of said vacation hours have been held in trust by the City of Modesto on behalf of each individual employee, until a health savings program could be implemented,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that the City is authorized to initiate MCFFA's participation in the CVRMT and in the Medical Expense Reimbursement Plan of the CVRMT, to make the mandatory payroll deductions and to process the mandatory contribution of all vacation hours into the CVRMT upon the separation or retirement from City service for any employee in the bargaining unit represented by MCFFA. The effective date of participation in the CVRMT will be December 1, 2008, but said participation shall include vacation funds currently held by the City on behalf of employees who separated or retired from City service on and after December 30, 2007.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 28th day of October, 2008, by Councilmember Hawn, who moved its adoption, which motion being duly seconded by Councilmember Lopez, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Hawn, Keating, Lopez, Marsh, O'Bryant, Olsen, Mayor Ridenour

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: 
STEPHANIE LOPEZ, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: 
SUSANA ALCALA WOOD, City Attorney