



*NOTICE AND CALL OF A SPECIAL MEETING OF THE  
SANGER CITY COUNCIL*

**TO THE MEMBERS OF THE SANGER CITY COUNCIL AND TO THE CITY CLERK:**

NOTICE IS HEREBY GIVEN that a special meeting of the City Council is hereby called for Thursday, June 20, 2013 commencing at 7:00 pm at the Sanger City Hall Council Chambers, 1700 7<sup>th</sup> Street, Sanger, California.

Said special meeting shall be held for:

CONSENT CALENDAR

**SUBJECT:** Letter of Support Authorizing the County of Fresno to Submit CalRecycle Applications on its behalf

**RECOMMENDATION:** That the City Council authorizes the City Manager to ratify a Letter of Support authorizing the County of Fresno to submit CalRecycle grant applications for the Used Oil Payment Program 4 (OPP4) on behalf of the City of Sanger.

DEPARTMENT REPORT

**SUBJECT:** Side Letter Agreement between the City of Sanger and the Sanger Firefighter's Association

**RECOMMENDATION:** That the City Council approve the Side Letter Agreement between the City of Sanger (City) and the Sanger Firefighter's Association (Association) to provide a Health Reimbursement Arrangement (HRA) and authorize the City Manager to sign the Agreement.

Dated: June 19, 2013

Handwritten signature of Joshua D. Mitchell.

\_\_\_\_\_  
Mayor Joshua D. Mitchell

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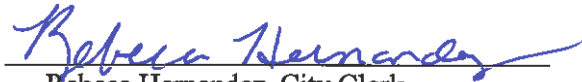
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Dated: June 19, 2013

  
\_\_\_\_\_  
Rebeca Hernandez, City Clerk



Agenda Item No.: *Special Meeting - Consent*

# CITY OF SANGER

## REPORT TO THE CITY COUNCIL

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**To:** Mayor and Council Members  
**From:** John F. Mulligan, Public Works Director  
**Subject:** Letter of Support Authorizing the County of Fresno to Submit CalRecycle Applications on its Behalf  
**Attachments:** Letter of Support

**CONFLICT OF INTEREST:**

Unknown

**RECOMMENDATION:**

That the City Council authorizes the City Manager to ratify a Letter of Support authorizing the County of Fresno to submit CalRecycle grant applications for the Used Oil Payment Program 4 (OPP4) on behalf of the City of Sanger.

**EXECUTIVE SUMMARY:**

The County of Fresno submits an annual grant application to Department of Resources Recycling and Recovery (CalRecycle) for the Used Oil Payment Program (OPP). The County administers the grant and includes 14 cities in the region to include in the program.

**BACKGROUND:**

The County of Fresno applies and receives the CalRecycle OPP grant annually. The County reaches out to the cities located within Fresno County and includes them in the application to assure that the region has a viable used oil collection and recycling program. The Collection program includes funding of collection centers such as O'Reilly Auto Parts in Sanger and also implementing various educational

Prepared by: John F. Mulligan

Approved by: *[Signature]*

REVIEW: City Manager: *CBH*

Finance: *[Signature]*

City Attorney: *JV*

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**TYPE OF ITEM:**

**COUNCIL ACTION: APPROVED DENIED NO ACTION**

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Consent     | <input type="checkbox"/> Public Hearing                       |
| <input type="checkbox"/> Info Item              | <input type="checkbox"/> Matter Initiated by a Council Member |
| <input checked="" type="checkbox"/> Action Item | <input type="checkbox"/> Other                                |
| <input type="checkbox"/> Department Report      | <input type="checkbox"/> Continued to: _____                  |
| <input type="checkbox"/> Redevelopment Agency   |   |

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programs and events.

Staff will also be working with the County to utilize aspects of this grant program to no longer pay to dispose of City generated used oil but rather piggy back off an existing County contract to sell the used oil and generate new revenue.

**REASON FOR RECOMMENDATION:**

The City of Sanger benefits from this program as the grant funds are used locally to fund oil collection at businesses such as O'Reilly Auto Parts allowing the residents to recycle oil for free.

**FISCAL IMPACT:**

The program is grant funded however there may be an opportunity to sell the City generated used oil utilizing an existing County contract which may generate minimal revenues.

**ACTIONS FOLLOWING APPROVAL:**

Staff will continue to work collaboratively with the County of Fresno to implement recycle programs and search for other grant opportunities that leverage the County's size and strength.



# **CITY OF SANGER**

**1700 7<sup>TH</sup> STREET**

**SANGER, CALIFORNIA 93657-2804**

**TELEPHONE: (559) 876-6320**

**FAX: (559) 876-6335**

***CITY MANAGER'S OFFICE***

***BRIAN HADDIX, CITY MANAGER***

June 20, 2013

Department of Resources Recycling and Recovery (Cal-Recycle)  
1001 "P" Street  
P. O. Box 4025  
Sacramento, Ca. 95812-4025

Dear CalRecycle:

I am the City Manager of The City of Sanger. I am authorized to contractually bind the City of Sanger. Pursuant to this authority and the authorization of the Sanger City Council provided at the June 20, 2013 meeting, I hereby authorize the County of Fresno to submit a regional Used Oil Payment Program (OPP) application and act as the Lead Agency on behalf of the City of Sanger. The County of Fresno is hereby authorized to execute all documents necessary to implement and secure payment under the OPP.

Sincerely,

Brian Haddix  
City Manager  
City of Sanger  
(559) 876-6320



# CITY OF SANGER

## REPORT TO THE CITY COUNCIL

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**To:** Mayor and Councilmembers  
**From:** Becky Hernandez, City Clerk/Deputy Personnel Officer  
**Subject:** Side Letter Agreement between the City of Sanger and the Sanger Firefighter’s Association  
**Attachments:** Side Letter Agreement

**CONFLICT OF INTEREST:**

None

**RECOMMENDATION:**

That the City Council approve the Side Letter Agreement between the City of Sanger (City) and the Sanger Firefighter’s Association (Association) to provide a Health Reimbursement Arrangement (HRA) and authorize the City Manager to sign the Agreement.

**EXECUTIVE SUMMARY:**

The City’s negotiating team has met with the Association to discuss the changes to the employee health plan. An agreement was reached that the City would provide an HRA to reimburse members for out-of-pocket expenses associated with the annual medical deductible of \$250 per individual or \$500 per family, increase of co-pay of \$10 per office visit and increase in prescription co-pay of \$5 for preferred and non-preferred brands. The HRA will go into effect on July 1, 2013.

**BACKGROUND:**

At the City Council meeting of May 16, 2013, the Council approved the Participation Agreement between the City and the San Joaquin Valley Insurance Authority (SJVIA) for medical insurance which will result in a 13.33% decrease in cost for medical premiums. If the City were to remain self-funded, the City would face an increase in cost of 12.24%. In addition, the Council authorized the City Manager to sign

Prepared by: BA Hernandez

Approved by: BA Hernandez

REVIEW: City Manager: CBH

Finance: [Signature]

City Attorney: JV

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<b>TYPE OF ITEM:</b>	<b>COUNCIL ACTION:</b>	<b>APPROVED</b>	<b>DENIED</b>	<b>NO ACTION</b>
<input type="checkbox"/> Consent				<input type="checkbox"/> Public Hearing
<input type="checkbox"/> Info Item				<input type="checkbox"/> Matter Initiated by a Council Member
<input checked="" type="checkbox"/> Action Item				<input type="checkbox"/> Other
<input checked="" type="checkbox"/> Department Report				<input type="checkbox"/> Continued to: _____
<input type="checkbox"/> Redevelopment Agency				

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the necessary documents after meeting with employee bargaining groups. On May 21, 2013, the City's negotiating team met with the President and Vice-President of the Association to discuss the changes to the medical health plan. The medical coverage through the SJVIA will add an employee annual deductible of \$250 per individual or \$500 per family. The co-pay will increase from \$10 to \$20 per office visit. Also the prescription program will change from Restat to USscript with no increase in prescription drug co-pay for generic and an increase of \$5 for preferred and non-preferred brands.

The City is currently in negotiations of the Memorandum of Understanding (MOU) with the Association. Rather than incorporate the proposed medical plan changes into the ongoing negotiations, it was determined that a Side Letter Agreement would be used to address the medical plan changes. The City and the Association reached an agreement that an HRA would be provided to alleviate the impact of the new annual medical deductible of \$250 per individual and \$500 per family, increase in co-pay of \$10 per office visit, and increase in prescription co-pay of \$5 for preferred and non-preferred brands.

An HRA is an employer-funded reimbursement plan designed to reimburse out-of-pocket medical expenses to employees. The HRA will be managed by a Third Party Administrator and will reimburse employees for payments made towards the annual deductible.

**REASON FOR RECOMMENDATION:**

The City's negotiating team and the Association has tentatively agreed to the medical plan changes based on the City providing the HRA. The Side Letter Agreement is part of the process of moving forward with the City's participation in the SJVIA in which the City expects a net savings of \$230,651 in health insurance costs for the 2013/14 fiscal year.

**FISCAL IMPACT:**

The fiscal impact is a maximum of approximately \$15,000 and will be offset by the projected net savings.

**ALTERNATIVES:**

Not approve the side letter agreement which will prevent the City from moving forward with the health plan changes.

**ACTIONS FOLLOWING APPROVAL:**

If approved, the City Manager will sign the Side Letter Agreement and Staff will implement the HRA.

**Side Letter Agreement between the City of Sanger and the Sanger Firefighters Association Regarding a Health Reimbursement Arrangement (HRA)**

Authorized representatives of the City of Sanger (City) and the Sanger Firefighters Association have met to discuss the changes of the City's health insurance plan for medical coverage.

This Side Letter of Agreement serves to memorialize the agreement between the City and the Sanger Firefighters Association effective July 1, 2013 as follows:

The Sanger Firefighters Association agrees with the City's proposed plan changes to the Health Benefit Plan provided by the City. These changes include joining SJVIA, having an annual deductible per employee in the amount up to \$250 or \$500 for family and increasing the co-pay to \$20 per office visit, as well as other changes that are more fully discussed in the attached staff report, which is incorporated herein by reference.

Further, the City agrees to fund an HRA to reimburse members for out-of-pocket annual deductible expenses, increase of co-pay of \$10 per office visit, and increase of prescription co-pay of \$5 for preferred and non-preferred brands, as a result of the above referenced plan changes. This HRA shall be managed by a Third Party Administrator as contracted by the City.

The provisions of this side letter will remain in effect for the life of this insurance plan unless the side letter is replaced by a subsequent side letter or superseding language that has been agreed to and adopted by both the Sanger Firefighter's Association and the City of Sanger in a binding document.

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**City of Sanger:**

**Sanger Firefighters Association:**

\_\_\_\_\_  
Brian Haddix  
City Manager

\_\_\_\_\_  
Craig Pitts  
President

\_\_\_\_\_  
Jenell Van Bindsbergen  
City Attorney

\_\_\_\_\_  
Greg DuPuis  
Vice President

\_\_\_\_\_  
Richard Reed  
Labor Consultant