

**SIDE LETTER OF AGREEMENT BETWEEN
CITY OF FOUNTAIN VALLEY AND
FOUNTAIN VALLEY POLICE OFFICERS' ASSOCIATION**

This Side Letter of Agreement ("Agreement") between the CITY OF FOUNTAIN VALLEY ("City") and the FOUNTAIN VALLEY POLICE OFFICERS' ASSOCIATION ("Association") (collectively, "Parties") is entered into with respect to the following:

WHEREAS, the Parties have entered into a Memorandum of Understanding (MOU) that is effective July 1, 2024, through June 30, 2027; and

WHEREAS, Section 4.15 of the MOU provides that beginning with the pay period ending July 5, 2024, the City shall contribute \$150 per month on behalf of each unit employee to the PORAC Retiree Medical Trust; and

WHEREAS, the Association has taken steps necessary to implement the PORAC Retiree Medical Trust, one of which requires to parties to amend their MOU.

NOW, THEREFORE, the Parties hereby agree as follows:

1. Section 7.11 of the MOU is hereby created to read as follows:

Section 7.11 – Retiree Medical Trust:

A. Participation. The Association will establish participation in a retiree medical plan administered by the PORAC Retiree Medical Trust, and the cost of establishing and maintaining the Trust shall be at no cost to the City. The City is not a party to the Trust, aside from transferring funds, and has no obligations to the management, regulatory compliance or performance of the Trust.

B. Payroll Contributions to the PORAC Retiree Medical Trust. Effective beginning with the pay period that ends on July 5, 2024, the City will transfer by ACH transfer to the Trust's bank account a per pay period pre-tax employer contribution rate of \$69.23 for each biweekly payroll period for each unit employee. The contributions will be remitted to the Trust no later than 30 days after each payroll payment date. The initial transfer shall include a sum on behalf of each unit member that is the product of \$69.23 times the number of pay periods the member was in the bargaining unit from July 5, 2024 until the time of the payment.

C. Reporting and Verification rules. The City hereby acknowledges receipt of the Trust Agreement governing the Trust and will comply with rules set by the Trust Office in regard to reporting and transferring the required contributions set forth above. The Association shall electronically provide an initial report of demographic information, which shall include: Social Security Number (or unique identifier), first name, last name, gender, address (city, state, zip code), contact information (email address and phone number), birth dates, and hire dates, for all unit employees. The Association shall send updates to

this information to the Trust Office whenever they have notice of changes to the information, including the addition or subtraction of an employee from the unit, within 15 days.

1) Regular Contribution Report. The City shall electronically submit to the Trust Office a Regular Contribution Report with each transfer of contributions to the Trust. This Regular Contribution Report shall be sent in the format requested by the Trust, and received by the Trust Office within five (5) days of each receipt of contribution funds. This Regular Contribution Report shall include the data that the Trust Office requests concerning employees and contributions, including at least:

a. Terminations. The reason that an employee was dropped off of the Regular Contribution Report, e.g., involuntary termination, voluntary termination, retirement, resignation, promoted out of bargaining unit, leave without pay.

2) Failure to Provide Reports. The City hereby acknowledges that the Trust may refuse to accept contributions or take other legally permissible actions with respect to the City's contributions and employees' benefits from the Trust if the City does not comply with the Trust Office's rules regarding the aforementioned contribution reports.

3) Payroll Verification. The City and the Association hereby acknowledge receipt of the Trust Agreement governing the Trust and the City will provide the information necessary for the purpose of ascertaining if the proper amount of contributions have been made.

D. Exclusive purpose of Trust. The monies contributed to the Trust shall only be used for retiree health insurance premiums or health care expenses, as allowed by law. There shall be no employee election/option available to take such amount in unrestricted cash.

E. Separate trust. The purpose of this Trust shall be to provide for retiree health care expense reimbursement benefits. The Trust shall be and remain separate and apart from any City health insurance funding program, unless changed by mutual written agreement of the parties.

2. The parties shall promptly take all action necessary to execute the attached PORAC Retiree Medical Trust Joinder Application and Agreement.
3. The City shall make a one-time contribution to the PORAC Retiree Medical Trust on behalf of each unit member in the amount covering the retroactive period back to the pay period that ends on July 5, 2024.
4. Section 4.15(B) of the MOU is hereby deleted.

[signatures on following page]

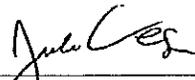
FOR THE CITY
OF FOUNTAIN VALLEY



Maggie Le, City Manager

Date: 12/15/25

FOR THE FOUNTAIN VALLEY
POLICE OFFICERS ASSOCIATION



Julio Vega, President

Date: 12-10-25