

RESOLUTION CC 2025-63

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA,
CALIFORNIA, ESTABLISHING A POST-EMPLOYMENT HEALTH
SAVINGS PLAN FOR POLICE MANAGEMENT GROUP EMPLOYEES**

WHEREAS, the City of Covina (“City”) is a municipal corporation duly organized and existing pursuant to the Constitution and laws of the State of California; and

WHEREAS, the City of Covina negotiates and formally adopts Memoranda of Understanding with its various employee bargaining units, and has currently in effect a Memorandum of Understanding between the City and Police Management group with a term of July 1, 2024 through June 30, 2028;

WHEREAS, the terms of said Memorandum of Understanding between the City and Police Management Group require the establishment of a Post-Employment Health Savings Plan for unit employees who wish to designate a portion of their unused accrued sick leave to said plans at the time of retirement (Section 14.3-D);

WHEREAS, the City Council of Covina appointed the City Manager, and any City staff he/she may designate to assist him/her in that role, as the administrator of all benefit plans, including 457(b) and 401(a) defined contribution plans and post-employment health plans for the benefit of the City’s eligible employees, with responsibility for the administration, assets and investments of the Plans; and

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA,
CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:**

SECTION 1. The City Council does hereby authorize the City Manager to establish a Post-Employment Health Savings Plan (PEHP) through Nationwide Retirement Solutions for the Police Management Group (PMG) as set forth in City/PMG Memorandum of Understanding (MOU) dated July 1, 2024 – June 30, 2028 effective June 1, 2025.

SECTION 2. The City Clerk shall certify to the passage and adoption of this resolution and the same shall thereupon take effect and is in force.

APPROVED and PASSED this 3rd day of June 2025.

City of Covina, California

BY: _____
VICTOR LINARES, Mayor

ATTACHMENT A

ATTEST:

FABIAN VELEZ, Chief Deputy City Clerk

CERTIFICATION

I, Fabian Velez, Chief Deputy City Clerk of the City of Covina, do hereby certify that Resolution CC 2025-63 was duly adopted by the City Council of the City of Covina at a regular meeting held on the 3rd day of June 3, 2025, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

Dated:

FABIAN VELEZ, Chief Deputy City Clerk

SIDE LETTER OF AGREEMENT
BETWEEN
THE CITY OF COVINA
AND
THE POLICE MANAGEMENT GROUP

This Side Letter of Agreement (“Agreement”) between the City of Covina (“City”) and the Police Management Group (“PMG”) (collectively “Parties”) is entered into with respect to the following:

WHEREAS, on June 18, 2024, the City Council approved a Memorandum of Understanding (MOU) between the City of Covina and the Police Management Group which took effect July 1, 2024; and

WHEREAS, Article 14.4 D (Payout of Accrued Sick Leave Upon Separation or Retirement) of the PMG MOU establishes options for payout of accrued sick leave upon separation or retirement; and

WHEREAS, effective July 1, 2024, per the terms of the approved Memorandum of Understanding, the Parties agreed to allow employees who retired from the City to contribute up to 90% of 800 hours of accrued sick leave into a retiree health savings account; and

WHEREAS, the Parties met and conferred to modify the existing language to ensure that the established retiree health savings account provisions are in compliance with applicable IRS regulations and limitations; and

WHEREAS, the Parties met and conferred and agree to revise the language set forth in the Parties’ Agreement; and

THEREFORE, the Parties hereby agree to the following:

Article 14.4 D of the PMG MOU shall be revised as follows:

D. For Employees Retiring from the City Only (New)

Effective July 1, 2024, employees retiring from the City will have ninety percent (90%) of accrued sick leave transferred into a Retiree Health Savings/Reimbursement Account (within applicable IRS regulations and limitations) at his/her then current base hourly rate. The maximum accrued sick leave that can be utilized is one thousand (1,000) hours. For example, an employee with 1,000 hours accrued would receive 90% of his/her accruals, or 900 hours. Any remaining balance will be transferred into the city’s 457(b) plan up to

the annual IRS limit, if available. Any remaining balance may be cashed out or utilized for PERS Service Credit at the employee’s discretion.

This benefit shall be forfeited in any individual case of disciplinary termination.

Parties agree to meet and confer to discuss amendments to the portion of accrued sick leave that is converted into a retiree health savings account.

All other terms of the PMG MOU remain in effect for the term of the MOU.

This side letter shall become effective June 1, 2025, retroactive to July 1, 2024, and only upon City Council approval.

FOR THE CITY OF COVINA

Chris Marcarello
City Manager

Date

FOR THE POLICE MANAGEMENT GROUP

Ryan Davis
Police Captain

Date

Antonio Zavala
Police Lieutenant

Date