

**SIDE LETTER OF AGREEMENT
between the City of Imperial Beach
and Imperial Beach Firefighter’s Association (IBFA) Local 4692**

WHEREAS, Employer-Employee Relations for the City of Imperial Beach (hereinafter, “City”) are governed by California Government Code section 3500 through 3511, known as the Meyers-Milias-Brown Act (“MMBA”); and

WHEREAS, the Imperial Beach Firefighters’ Association, Local 4692 (“IBFA”) is the exclusive bargaining agent and representative of the City’s fire employees; and

WHEREAS, the City and IBFA entered into a Memorandum of Understanding (“MOU”) effective July 1, 2021 through June 30, 2023; and

WHEREAS, the parties met and conferred in good faith regarding a service recognition pay; and

WHEREAS, the parties agree to Article 36 on a service recognition and desire to amend the current MOU;

WHEREAS, this agreement shall serve as a Side Letter Agreement to the MOU for July 1, 2021 through June 30, 2023.

NOW THEREFORE, the City and IBFA mutually agree as follows:

1) The following language will be added to MOU Article 13.0 “Employee Benefits:”

If the Federal Affordable Care Act (ACA) or Internal Revenue Services (IRS) implementing regulations, or similar California legislation impact the benefit plans covered by this MOU, the parties agree to reopen negotiations to meet and confer over any related mandatory subjects of bargaining.

The CITY is required by law to administer the ACA and IRS regulations will implement administrative guidelines such as the stabilization and look back periods for all employees in a manner that provides ease of CITY administration.

1. Cafeteria Plan Allotment

Effective January 1, 2022, the CITY will provide a Cafeteria Plan allotment of \$1,875 a month for a city provided medical, dental and vision plan for all full-time employees and their eligible dependents on a pre-tax basis to meet IRS regulations.

Using Kaiser and Sharp Family monthly premiums as a benchmark, annually, the CITY will set the Cafeteria Plan allotment to the cost of the monthly premium from these two-family plans using the lesser of the two. For example, in 2023, the Sharp family monthly premium will be \$1,988.90 and Kaiser at \$1,966.15.

Therefore, the 2023 Cafeteria Plan allotment will change from \$1,900 as previously negotiated to \$1,966.15 (Kaiser), which is the lowest premium of the two plans. The monthly allotment may be used to purchase city provided medical insurance, dental and vision volunteer plans for all employees and their eligible dependents on a pre-tax basis to meet IRS regulations.

The employee will pay for any premiums in excess of the monthly Cafeteria Plan allotment through payroll deductions. Employees that elect a plan that is less than the Cafeteria Plan allotment will not receive any taxable credit. Employees that waive insurance will not receive any taxable credit.

The Cafeteria Plan allotment may be used to purchase City provided medical, dental and vision coverage. Employees will not be able to purchase flexible spending accounts utilizing the Cafeteria Plan allotment.

The CITY and the ASSOCIATION understand that the premiums are difficult to project, therefore, in the event that the lowest family premium of the two plans is lower in the subsequent year, and/or Sharp or Kaiser are dropped from CalPERS, the cafeteria allotment amount shall not be reduced and shall remain the same in the following year.

Health benefits are effective the first of the month following hire date. The Cafeteria Plan allotment terminates the last day of the month upon separation.

Dental election is optional for EMPLOYEE and their eligible dependents.

Vision election is optional for EMPLOYEE and their eligible dependents.

Effective January 1, 2017, there will be no taxable cash out benefit.

Those EMPLOYEEES who elect not to be covered under the CITY's medical health insurance plan must demonstrate proof of alternative medical insurance (i.e. spouse or independent insurance coverage).

The CITY shall pay any applicable mandatory minimum employer contribution for retiree health as required by law.

IBFA:

John Olsen, IBFA President

DATE

City of Imperial Beach:

Andy Hall, City Manager

DATE