

**SIDE LETTER OF AGREEMENT  
between the City of Imperial Beach  
and Service Employees International Union (SEIU) Local 221**

**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 Service Employees International Union, Local 221 (“SEIU”) is the exclusive bargaining agent and representative of the City’s Miscellaneous Classified Service; and

**WHEREAS**, the City and SEIU 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 health benefits; and

**WHEREAS**, the parties agree to changes regarding health benefits 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 SEIU mutually agree as follows:

- 1) The following language will be added to MOU Article 14.0, Section 1 “Insurance Benefits.”

If the Federal Affordable Care Act (ACA), 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 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:

The CITY will provide to each full-time represented employee a Cafeteria Plan allotment to purchase benefits qualified under Section 125 of the Internal Revenue Code. The Cafeteria Plan allotment may only be used to purchase City provided medical, dental, and vision coverages. Employees will not be able to purchase flexible spending accounts utilizing the 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 plans for all 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 Cafeteria Plan allotment through payroll deductions.

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.

Those EMPLOYEES 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).

Employees shall not be permitted to cash out any amount as a taxable cash benefit.

SEIU:

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Crystal Celis, SEIU President

\_\_\_\_\_  
DATE

City of Imperial Beach:

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Andy Hall, City Manager

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DATE