

**SIDE LETTER AGREEMENT  
BETWEEN THE  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1245  
AND  
THE CITY OF ROSEVILLE  
RELATED TO THE MODIFICATION OF THE FLEX CREDIT**

The City of Roseville (hereinafter referred to as “City”) and the International Brotherhood of Electrical Workers, Local 1245 (hereinafter referred to as “Local 1245”) entered into a Memorandum of Understanding (“MOU”) with a term beginning on April 27, 2019, and terminating on April 30, 2022. The City and Local 1245 are collectively referred to herein as the “Parties.”

**Background and Overview**

This Agreement relates to a modification to the City’s provision of a cafeteria plan flex credit amount for employees who elect a medical plan. The City proposes discontinuing the same flex credit amount irrespective of whether the employee chooses an employee only medical plan, employee + 1 medical plan, or an employee + family medical plan and instituting a tiered plan whereby the flex credit amount is greater for those electing family medical coverage as described below.

In addition, the agreement addresses the intent of the Flex Credit increase to align with the new rate changes. With the implementation of the ORACLE Human Resources Information System in July 2019, the City met and conferred with the union to apply the cost of the benefit in the same month the benefit is received, rather than the prior month, as had been the practice in the former system. Instead of paying in December for January benefits, employees now pay for January benefits in January. As such, the dates of the Flex Credit increases are updated in the provision below as an administrative change based on the intent of bargaining to align the benefit increase with the month in which the rate increases take effect.

The specific provisions contained in this Agreement are intended to supersede any previous agreements, whether oral or written, regarding the matters contained in this Agreement.

The Parties have satisfied their obligations to meet and confer in good faith in accordance with the Meyers-Milias-Brown Act (“MMBA”).

Except as provided here, all wages, hours, and other terms and conditions of employment presently in the City’s MOU with the Local 1245 remain in full force and effect.

A. The Parties mutually agree to replace Chapter 4, Article I, section C., Cafeteria Plan, to read as follows:

**C. Cafeteria Plan**

1. The City agrees to maintain a Cafeteria Plan, pursuant to Section 125 of the Internal Revenue Code and any related regulations, for the purpose of providing employees with access to various health and welfare benefits. Benefits available through the Cafeteria Plan include

medical insurance, dental insurance, long-term disability insurance (LTD) and vision insurance.

2. The City provides a Cafeteria Plan Allowance to all employees eligible to participate in City sponsored health and welfare benefits under Section A of this Article of up to \$1,347 per month (less the direct PEMHCA payment provided in paragraph B).
3. The City provides a flex plan credit of \$168.00 per month to be used by active employees for any benefit covered under the Cafeteria Plan. ~~Effective December~~ January 1, 2020, the City will increase the flex plan credit to \$198. ~~Effective December~~ January 1, 2021, the City will increase the flex plan credit to \$228. ~~Effective December~~ January 1, 2022, the City will increase the flex plan credit to \$258.

Employees who elect not to participate in any of the medical, dental, LTD, and vision insurance benefits sponsored by the City and who provide proof of other medical coverage will not receive any Cafeteria Plan Allowance under Section C(2) of this Article. Instead, employees who opt out of these City sponsored benefits will receive \$150 per month treated as taxable income.

4. Effective January 1, 2020, the City agrees to provide an additional flex credit of up to \$90 per month to be used for the payment of medical insurance by active employees who elect family medical coverage.

4.5. Any Cafeteria Plan Allowance provided for under Section C(2) of this Article can only be used by an employee to offset the cost of participation in City sponsored medical, dental, and vision insurance benefits for the employee and any eligible dependents.

- B. The additional \$90 per month flex credit contribution as described in Chapter 4, Article 1, Section (C) (4) will be included in the City cafeteria plan contribution amount as part of the total compensation study for the 2020 Labor Market Adjustment referenced in Chapter 2, Article I, section A, subsection 2.a. of the MOU. Likewise, this \$90 per month contribution will be included in the City cafeteria plan contribution amount as part of the total compensation study for the 2021 Labor Market Adjustment referenced in Chapter 2, Article I, section A, subsection 2.b. of the MOU.

THESE ARE TENTATIVE TERMS SUBJECT TO APPROVAL OF THE IBEW MEMBERSHIP AND CITY COUNCIL.

Date: 8/26/19

  
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 INTERNATIONAL BROTHERHOOD OF ELECTRICAL  
 WORKERS, LOCAL 1245

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

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CITY OF ROSEVILLE