

**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 May 1, 2022, and terminating on April 30, 2026. The City and Local 1245 are collectively referred to herein as the “Parties.”

Background and Overview

The Parties hereby agree to the terms of this Side Letter Agreement (“SLA”), entered into in August 2024, concerning modification of the Flex Credit, specifically, concerning the City’s provision of a cafeteria plan flex credit amount (“Flex Credit”) for employees who elect a medical plan through the City. In December 2023, the Parties agreed to the terms of a SLA, which increased the 2024 Flex Credit amount for active employees electing Employee Plus Family (“Family”) medical coverage up to an additional \$170 per month, and for active employees electing Employee Plus One Dependent (“EE+1”) coverage up to an additional \$150 per month for medical plan premium cost increases. Due to significant unexpected increases to the CalPERS medical plan premiums effective for the 2025 calendar year, the City and Local 1245 agrees to further increase the Flex Credit amount for those electing Family or EE+1 tiers of medical coverage as described below.

In addition, this SLA furthers the intent approved in the underlying MOU for the new additional Flex Credit increase to be effective with the new rate changes for 2025.

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

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 and SLAs with the Local 1245 remain in full force and effect.

A. For convenience, in pertinent part, the Parties’ MOU, Chapter 4, Article 1, currently provides the following:

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).

- Effective May 1, 2022, the City agrees to provide a flex plan credit based on medical plan tier election (EE only, EE+1, or Family) to be used by active employees for any benefit covered under the Cafeteria Plan, as follows:

Active Employee Medical Election Tier	Employee Only (EE Only)	Employee Plus One Dependent (EE+1)	Employee Plus Family (Family)
Flex Plan Credit	\$200/month	\$273/month	\$598/month

- Effective January 1, 2023, the City agrees to provide a flex plan credit based on medical plan tier election (EE only, EE+1 or Family) to be used by active employees for any benefit covered under the Cafeteria Plan, as follows:

Active Employee Medical Election Tier	Employee Only (EE Only)	Employee Plus One Dependent (EE+1)	Employee Plus Family (Family)
Flex Plan Credit	\$200/month	\$318/month	\$673/month

- Effective January 1, 2024, the City agrees to provide a flex plan credit based on medical plan tier election (EE only, EE+1 or Family) to be used by active employees for any benefit covered under the Cafeteria Plan, as follows:

Active Employee Medical Election Tier	Employee Only (EE Only)	Employee Plus One Dependent (EE+1)	Employee Plus Family (Family)
Flex Plan Credit	\$200/month	\$363/month	\$748/month

- Effective January 1, 2025, the City agrees to provide a flex plan credit based on medical plan tier election (EE only, EE+1 or Family) to be used by active employees for any benefit covered under the Cafeteria Plan, as follows:

Active Employee Medical Election Tier	Employee Only (EE Only)	Employee Plus One Dependent (EE+1)	Employee Plus Family (Family)
Flex Plan Credit	\$200/month	\$408/month	\$823/month

- Effective January 1, 2026, the City agrees to provide a flex plan credit based on medical plan tier election (EE only, EE+1 or Family) to be used by active employees for any benefit covered under the Cafeteria Plan, as follows:

Active Employee Medical Election Tier	Employee Only (EE Only)	Employee Plus One Dependent (EE+1)	Employee Plus Family (Family)
Flex Plan Credit	\$230/month	\$453/month	\$898/month


- 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.

9. 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. Effective for the applicable annual medical premium increases, for active employees electing Family medical coverage, the City agrees to provide an additional amount towards flex credit of up to \$75 per month, plus the \$170 per month increase agreed upon by the December 2023 SLA, for a total of up to \$245 per month flex credit, which is in addition to the amount specified in Section C.(6) and C.(7), and for active employees electing EE+1 medical coverage the City agrees to provide up to \$80 per month additional flex credit, plus the \$150 per month increase agreed upon by the December 2023 SLA, for a total of up to \$230 per month flex credit to be used for the payment of medical insurance in addition to the amount specified in Section C.(6) and C.(7).
- C. The additional flex credit contribution for Family medical coverage, as described above in Section B, will be added to the flex credit in Chapter 4, Article I, section C.(6) and C.(7) for the respective year and will be considered as part of the City cafeteria plan contribution amount included in total compensation.

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

Date: 8-27-24

  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL  
WORKERS, LOCAL 1245

Date: 9-4-24

  
CITY OF ROSEVILLE