

**Side Letter Agreement Amending the Memorandum of Understanding
Between the City of Lodi and International Brotherhood of Electrical Workers
January 1, 2025 – December 31, 2028**

This Agreement is entered into and effective as of January 1, 2025, between the City of Lodi, a municipal corporation (“City”), and Local 1245 International Brotherhood of Electrical Workers (“IBEW”).

RECITALS

WHEREAS, the Memorandum of Understanding (MOU) between IBEW and the City has a term of January 1, 2025 through December 31, 2028; and

WHEREAS, the IBEW MOU includes various Articles pertaining to health and retirement benefits; and

WHEREAS, the City and IBEW wish to amend the existing language to eliminate employee pension cost-sharing effective the first full pay-period following July 1, 2028; and

WHEREAS, the City and IBEW wish to amend the existing language to create a CalPERS compliant cafeteria plan for optional benefits and to update the City’s contributions for cafeteria insurance offerings for calendar year 2026; and

WHEREAS, representatives from the City and IBEW have met and conferred in good faith to discuss the modification of the MOU and agreed to amend Articles 15 through 21 of the IBEW MOU to amend the benefits provided to employees; and

NOW THEREFORE, City and IBEW agree to amend Articles 15 through 21, as follows:

CHAPTER 3. INSURANCE AND RETIREMENT

ARTICLE XV – CAFETERIA PLAN: HEALTH INSURANCE

15.1 City Contribution

The City shall contribute an amount equal to ninety percent (90%) of the premium cost of the lowest-cost CalPERS Health Maintenance Organization (“HMO”) plan available within ZIP Code 95240 toward each eligible employee’s health insurance coverage by enrollment category.

This contribution shall be adjusted annually, effective the first pay period in January, based on CalPERS premium rates.

Employees who select plans costing more than the City's contribution shall pay the premium cost difference through payroll deductions.

15.2 Eligibility

Regular full-time employees are eligible to participate in the Cafeteria Plan beginning the first day of the month following hire.

Employee's eligible dependents may be enrolled in accordance with CalPERS and the employee's selected plan rules.

Changes in health insurance coverage may occur only during the City's open enrollment period or following a qualifying event as defined under Internal Revenue Code Section 125.

Health Insurance coverage ends the last day of the month in which employment terminates, unless continued under Consolidated Omnibus Budget Reconciliation Act (COBRA).

15.3 Administration and Opt-Out

The Cafeteria Plan shall be administered in accordance with Internal Revenue Code Section 125 and applicable CalPERS regulations.

Employees providing proof of alternate qualifying medical coverage may opt out of City-provided medical insurance and will receive the applicable opt-out or cash-in-lieu benefit as described in this Article.

All employees are offered medical insurance for themselves and their eligible dependents through CalPERS medical plans.

Effective January 1, 2026, the City shall contribute an amount equal to ninety percent (90%) of the premium, by enrollment category, for the lowest-cost HMO plan available in ZIP code 95240. Employees shall be responsible for the difference between the City's contribution and the premium of the plan the employee selects. Employee contributions shall be collected through payroll deductions. Employees may elect to have premium deductions withheld from pre-tax wages through the City's Flexible Spending Account benefits Premium Only Plan (POP) as described in Article XX below.

The City's ninety percent (90%) contribution and corresponding ten percent (10%) employee contribution shall be reviewed annually and any necessary adjustments would

be implemented at the first pay period in January to reflect any changes in premium rates for the lowest-cost HMO plan available in ZIP code 95240. The City's contribution percentage shall not be reduced below ninety percent (90%) without mutual agreement between the City and the IBEW bargaining unit.

Employees who elect to waive medical insurance coverage through the City shall receive an additional "cash in lieu" of medical benefits amount as follows:

- \$692.81 per month for family coverage
- \$532.92 per month for employee + one dependent coverage
- \$305.22 per month for single coverage

These monthly cash in lieu amounts identified above shall be divided across two pay periods each month and be paid in a flat dollar amount for the employee's corresponding coverage level. To qualify for this provision, employees must provide proof of other qualifying group medical insurance coverage to the City.

ARTICLE XVI – CAFETERIA PLAN: VISION CARE AND CHIROPRACTIC COVERAGE

~~AND CHIROPRACTIC COVERAGE~~ 16.1 Vision Care: The City shall contribute to the Cafeteria Plan a dollar amount equal to the premium necessary to provide employees with vision care insurance through the Vision Service Plan (VSP) by enrollment category (Employee, Employee +1 or Family). The services covered and the amount of coverage shall be as outlined in the VSP Summary of Benefits.

~~—~~ The City reserves the right to select or change the vision insurance carrier, provided that ~~—~~ the level of benefits remains substantially equivalent to those provided under the existing ~~—~~ plan. ~~—~~

Employees may opt out of City provided Vision Care and apply the City contribution towards medical premiums.

16.2 Chiropractic Coverage: ~~15.1~~ ~~Chiropractic services may be received by employees and dependents through a chiropractic insurance plan.~~

~~15.2~~ The City shall pay the full costs of premiums for chiropractic insurance for the employee and dependent(s) during the term of this MOU.

~~15.3~~ When any of such individuals changes their chiropractor or the chiropractor becomes a

~~_____ medical provider under the City's medical plan, they shall utilize the medical plan's list of
_____ providers and shall be subject to the terms and limitations of said plan.~~

The City shall contribute to the Cafeteria Plan a dollar amount _____ equal to the premium, by enrollment category (Employee, Employee +1 or Family), necessary to provide employees and their eligible dependents chiropractic services _____ under the City's Chiropractic benefit program. This benefit allows for up to a maximum _____ of forty (40) visits per calendar year.

A co-payment of ten dollars (\$10.00) per visit shall apply for each covered chiropractic service.

Employees may opt out of City provided Chiropractic Care and apply the City contribution towards medical premiums.

ARTICLE XVII - DEFERRED COMPENSATION

176.1 The City agrees to match up to an employee's 3% contribution to the Deferred Compensation Program.

176.2 Employees may contribute a lump sum amount into their Deferred Compensation plan in the same pay period in which they cash out their CTO, equivalent to or less than the full CTO amount, subject to IRS contribution limits.

ARTICLE XVIII - DENTAL AND ORTHODONTIA INSURANCE

187.1 Employees and their dependents are provided fully paid dental and orthodontia insurance.

187.2 Maximum benefits are \$1,250.00 for each family member enrolled in the dental plan per calendar year. There is a \$25.00 deductible plus co-insurance features.

187.3 Orthodontia benefits have a lifetime cap of \$1,250.00 for each person covered under the plan.

ARTICLE XIXVIII - LIFE INSURANCE

189.1 A life insurance program providing for two times annual salary to a maximum of _____ \$250,000.

~~_____ Said benefits will reduce with age according to the reduction schedule of the _____ life insurance~~

~~_____ carrier. Coverage for dependents will also be provided according to the _____ schedule available~~

_____from the carrier. This insurance is only applicable to active regular employees.

198.2 The City agrees to pay the employee's premiums for the above mentioned life insurance program.

ARTICLE XIX - LONG TERM DISABILITY

2019.1 A long-term disability program which, coordinated with other disability benefits shall

provide a benefit of 66-2/3% to a maximum of \$10,000.00 per month of the employee's basic monthly earning in the event of disability. This program commences 120 days from the date of disability. Please refer to the City's Policy on Long Term Disability.

1920.2 The maximum length of coverage is three (3) years from date of disability.

ARTICLE XX - MEDICAL INSURANCE

~~20.1 The City agrees to make available medical benefits equivalent to the highest HMO plan available in Lodi through CalPERS and the parties shall meet and confer on a replacement plan offering such an equivalent level of benefits.~~

~~20.2 All employees are offered medical insurance for themselves and dependents through CalPERS Medical Plans.~~

~~Effective January 1, 2025, the City shall contribute to each employee enrolled in a CalPERS Medical plan a dollar amount equal to 70% of the premium, by enrollment category, for the lowest cost HMO plan available in the zip code 95240. The employee shall be responsible for the premium difference between the City's contribution and the premium of the plan the employee actually selects. Employee contributions shall be collected via pre-tax payroll deduction.~~

~~If an employee waives medical insurance through the City of Lodi, an additional:~~

~~\$692.81 per month for family~~

~~\$532.92 for employee + 1 dependent~~

~~\$305.22 for single~~

~~will be added to either the employee's deferred compensation account or cash. In order to qualify for this provision, proof of group insurance must be provided to the City.~~

~~20.3 Employees shall be eligible for medical insurance the first day of the month following the date the employee becomes a full-time regular employee of the City.~~

~~20.4 Only one family member may carry employee and dependent coverage of City sponsored medical insurance. The City will reimburse the employee for co-insurance payments on a quarterly basis.~~

~~20.5 Health Reimbursement Arrangement (HRA) Plan~~

~~The City shall contribute \$100.00 per month (paid bi-weekly) for each employee enrolled in a City sponsored medical insurance plan. Contributions shall be vested to the employee upon deposit. The City shall select the vendor and implement HRA/Debit option as soon as administratively feasible following City council approval of MOU. All administrative fees shall be borne by the City. All payments shall be made in accordance with existing City payroll practices.~~

ARTICLE XXI - RETIREMENT

21.1 The City of Lodi provides retirement benefits through the Public Employees Retirement System. Employees shall receive the following retirement benefits for employees deemed to be "classic" employees by PERS:

 Miscellaneous 2%@ 55 plan:

- 1957 Survivors Benefit
- Third Level 1959 Survivors Benefit (Section §21573)
- Improved Non-Industrial Disability Allowance (Section §21427). Benefits which provide under PERS a 30% benefit after five years of service, ~~ii~~ increasing to a maximum 50% benefit.
- Post-Retirement Survivor Allowance (Section §21624)
- Credit for Unused Sick Leave (Section §20965)
- Military Service Credit as Public Service (Section §21024)
- Effective January 1, 2015, employee shall pay the full employee share of retirement costs as calculated by PERS (7%) in its annual actuarial valuation. The City will pay all of the employer's contribution.

21.2 Employees shall receive the following retirement benefits for employees deemed to be "new" employees under the Public Employee's Pension Reform Act of 2013 (PEPRA):

 Miscellaneous 2% @ 62 plan:

- 1957 Survivors Benefit
- Third Level 1959 Survivors Benefit (Section §21573)
- Improved Non-Industrial Disability Allowance (Section §21427). Benefits which provide under PERS a 30% benefit after five years of service, increasing to a maximum 50% benefit.
- Post-Retirement Survivor Allowance (Section §21624)
- Credit for Unused Sick Leave (Section §20965)
- Military Service Credit as Public Service (Section §21024)
- ~~Effective~~ Effective January 1, 2015, employee shall pay the full employee share of retirement

Cristina Gonzales Date
Interim Human Resources Manager

ATTEST:

Olivia Nashed Date
City Clerk

APPROVED AS TO FORM:

Katie O. Lucchesi Date
City Attorney