

SIDE LETTER OF AGREEMENT

BETWEEN

CITY OF MANHATTAN BEACH

AND

THE MANHATTAN BEACH MID-MANAGEMENT EMPLOYEES ASSOCIATION

This Side Letter of Agreement (Agreement) between the City of Manhattan Beach (“City”) and the Manhattan Beach Mid-Management Employees Association (“MBMEA”) (collectively “Parties”) is entered into with respect to the following:

WHEREAS, the City and the MBMEA are currently parties to a Memorandum of Understanding (MOU) with a term of January 1, 2022 through June 30, 2025; and

WHEREAS, Article 6, Section 1 of the Parties’ MOU provides that the City is enrolled in CalPERS Medical in accordance with the Public Employees’ Medical and Hospital Care Act (“PEMHCA”) and outlines the City’s contributions to medical insurance based upon the employee’s level of coverage; and

WHEREAS, Article 6, Section 3, of the Parties’ MOU provides for a reopener on the City Contribution to Medical Insurance in each year of the contract; and

WHEREAS, the City Council has evaluated the increases in medical premiums from calendar year 2022 to 2024, which include a 31.05% premium increase for the PERS Platinum plan; and

WHEREAS, the following sets forth the Parties’ Agreement:

1. The parties agree to modify Article 6, Section 1 of their MOU as follows:

ARTICLE 6: HEALTH INSURANCE AND BENEFITS PLANS

- 1) **Medical Insurance:** The City is enrolled in CalPERS Medical in accordance with the Public Employees’ Medical and Hospital Care Act (PEMHCA). Employees who enroll in a CalPERS medical plan will receive a City contribution, depending on their selected level of coverage, as follows:

City Contribution towards Medical Insurance for Premiums Effective January 1, 2022

<u>Level of Coverage</u>	<u>Monthly City Contribution</u>
Employee only	\$820.20
Employee plus one dependent	\$1,640.40
Employee plus two or more dependents	\$2,132.52

City Contribution towards Medical Insurance for Premiums Effective January 1, 2024

<u>Level of Coverage</u>	<u>Monthly City Contribution</u>
<u>Employee only</u>	<u>\$1,131.47</u>
<u>Employee plus one dependent</u>	<u>\$2,149.79</u>
<u>Employee plus two or more dependents</u>	<u>\$2,794.73</u>

If the plan chosen is less costly than (or as costly as) the maximum City contribution, the City will pay the employee's full premium. If an employee chooses a plan that is more costly than the City's contribution, the employee will pay the difference between the cost of their selected plan and the City's contribution.

For the premiums deducted for health insurance effective January 1, 2025 and later, employees enrolled in a CalPERS medical plan will receive a City contribution to medical insurance of 95% of the premium for the plan selected based upon level of coverage (employee only, two-party, or family), up to a maximum of 95% of the PERS Platinum premium.

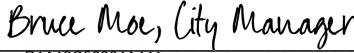
If the plan chosen is less costly than the rates of the PERS Platinum plan, the City will pay 95% of the premium for the plan chosen with the employee paying for the remainder of the plan chosen (5%). If an employee chooses a plan that is more costly than 95% of the PERS Platinum premium rate, the employee will pay the difference between the actual premium and cost 95% of the PERS Platinum premium rate for the selected coverage level.

No cash back will be provided to employees if an employee selects a plan less expensive than the City's maximum contribution.


The City's health insurance contribution will be inclusive of (not in addition to) the PERS statutory minimum per Government Code section 22892.

The City shall pay any administrative fee assessed by PERS on the medical insurance premiums up to 3.3%. Any future administrative fee increases above 3.3% shall be paid by the employee.

FOR THE CITY OF MANHATTAN BEACH


DocuSigned by:

D1A13C56864A441...
Bruce Moe
City Manager

12/14/2023
Date

DocuSigned by:

B419076654F642A...
Lisa Jenkins
Human Resources Director

12/14/2023
Date

FOR THE MANHATTAN BEACH MID-MANAGEMENT EMPLOYEES ASSOCIATION

DocuSigned by:

0C7EC5B48B7A488...
Nichole Petroff
President


12/14/2023
Date

DocuSigned by:

CCDF141FB59F4CC...
Vicky Barker
Chief Negotiator

12/14/2023
Date

APPROVED AS TO FORM

DocuSigned by:

44B6978DD94145B...
Peter Brown
Liebert Cassidy Whitmore

12/13/2023
Date