

**SIDE LETTER AGREEMENT AMENDING
THE 2022-2025 MEMORANDUM OF UNDERSTANDING BETWEEN
THE CITY OF LA MESA AND
THE LA MESA CITY EMPLOYEES' ASSOCIATION**

WHEREAS, on June 14, 2022, the City of La Mesa ("City") and the La Mesa City Employees' Association ("LMCEA") executed a Memorandum of Understanding ("MOU") for the period July 1, 2022 through June 30, 2025;

WHEREAS, included in the MOU is a provision that vacation leave by LMCEA members shall not be earned or accrued during the first six months of employment;

WHEREAS, the City and LMCEA, by mutual written consent, desire to eliminate the six-month provision to earn or accrue vacation leave;

WHEREAS, included in the MOU is a provision providing LMCEA members with a monthly cafeteria contribution from the City for health insurance, dental insurance, flexible spending accounts, and other cafeteria plan options that may be provided by the City;

WHEREAS, the City and LMCEA, by mutual written consent, desire to increase the City's monthly cafeteria contribution to LMCEA members beginning the first full pay period beginning on or after January 1, 2024;

WHEREAS, the City and LMCEA desire to amend the terms of the MOU stated herein subject to ratification by LMCEA and the City Council; and

NOW, THEREFORE, the City and LMCEA agree as follows:

Section 1.13 Vacations is amended to read as follows:

SECTION 1.13 VACATIONS

EMPLOYEES of the City of La Mesa shall earn paid vacation as follows:

<u>Years of Service</u>	<u>Vacation Hours Authorized Per Year</u>	<u>Accrual Rate Per Pay Period</u>
0-60 months	80	3.077
61-120 months	120	4.615
Over 120 months	160	6.154

Vacations will be scheduled to meet the operating requirements of the CITY and the preference of the EMPLOYEE.

Except in an emergency situation (an unpredictable event) approved by the immediate supervisor, vacation time off must be requested and approved at least 24-hours before the vacation begins. However, notice requirements will increase for requests for longer periods of vacation as follows:

- Forty-eight (48) hours' notice required for requests of two (2) to three (3) days
- Two (2) weeks' notice required for requests of four (4) or more days

Employees must serve six (6) months of continuous service as permanent employees, to be eligible to utilize accrued vacation leave. The Department Director or the Director's designee may authorize an employee to take accrued vacation earlier if, in the Director's or Director's designee's judgment, there are valid reasons to conclude that it is in the best interests of the City and the employee that an exception be granted.

Vacations shall be taken in consecutive working days unless otherwise authorized by the department head.

Any holiday, with the exception of floating holidays falling within a vacation period, shall be used during the vacation period and recorded as holiday time. Floating holidays may be taken pursuant to Section 1.12 - Holidays.

The CITY encourages the use of vacation leave on an annual basis. Once an EMPLOYEE reaches his/her maximum accumulation of vacation hours (two and one-half (2.5) times the annual allowance), he/she will not accumulate additional vacation until the vacation time is reduced below the maximum allowable. Accruals will begin when the balance is reduced below the maximum accumulation unless prior approval is obtained from the City Manager and the City Manager has determined that the needs of the CITY require a reasonable extension of time for the EMPLOYEE to use the excess vacation time. In no event shall an EMPLOYEE fail to accrue vacation time due to the needs of the CITY.

EMPLOYEES who separate from the CITY'S service shall be paid in cash for their accumulated vacation.

Section 1.18.01 (Cafeteria Plan) is amended to read as follows:

SECTION 1.18.01 CAFETERIA PLAN

The CITY agrees to provide a cafeteria style benefit plan for all EMPLOYEES. The CITY's current monthly cafeteria contributions are:

- Employee Only: \$684.72
- Employee + 1: \$1,189.32
- Family: \$1,554.58

Effective with the first full pay period beginning on or after January 1, 2023, the following additional monthly contributions shall be added to the current monthly cafeteria benefit plan amounts:

- Employee Only: Additional \$20/mo. (\$704.72)
- Employee + 1: Additional \$30/mo. (\$1,219.32)
- Family: Additional \$40/mo. (\$1,594.58)

Effective with the first full pay period beginning on or after January 1, 2024, the monthly cafeteria benefit plan contribution shall be:

- Employee Only: \$754.72
- Employee + 1: \$1,294.32
- Family: \$1,694.58

The allocation shall be used to pay for the benefits in the cafeteria plan selected by the EMPLOYEE, to include health insurance, dental insurance, and flexible spending accounts and other options that may be provided by the CITY. In the event that the total cost of benefits selected exceeds the allowance, the difference shall be deducted from the EMPLOYEE's salary as a payroll deduction.

An EMPLOYEE who has met the requirements stated in Section 1.15 and elects not to be covered under CITY provided medical insurance shall receive an allotment of \$115 per month for other cafeteria benefits.

In the event that the total cost of benefits or flexible spending accounts is less than the cafeteria allotment, the EMPLOYEE will receive the balance in the form of cash (less all applicable taxes).

CAFETERIA PLAN REOPENER

The CITY and ASSOCIATION agree to meet and confer in March 2024 to discuss changes, if any, to the monthly contribution for the cafeteria benefit plan for subsequent years beginning with contributions that are effective January 1, 2025.

AFFORDABLE CARE ACT (ACA) REOPENER ON HEALTH INSURANCE

The CITY may reopen negotiations on the issue of health insurance or the cafeteria plan in order to avoid penalties or taxes under the ACA that may result from an interpretation of the ACA by the Internal Revenue Service (including, but not limited to, a revenue ruling, regulation or other written guidance) or a ruling by a court of competent jurisdiction.

Except as expressly modified in this side letter herein, all terms and conditions of the MOU shall remain in full force and effect.

CITY OF LA MESA:

**LA MESA CITY EMPLOYEES'
ASSOCIATION:**

Amanda Lee, Lead Negotiator
Interim Director of Administrative Services

Shawn Boyd, Association President
Public Works Crew Leader