

Side Letter Agreement

Sheriff's Employees Benefit Association

Safety Management & Supervisory Unit

MEDICAL TRUST

- (a) The parties agree that SEBA and the County will meet and confer on the establishment of a medical trust (the Trust) that offers medical, dental, vision, and prescription drug coverage that is compliant with the Affordable Care Act (ACA) and that does not create Government Accounting Standards Board (GASB) liability, Other Post Employment Benefit (OPEB) liability or other liability for the County as determined by the County. The parties shall utilize best efforts to negotiate additional details of the Trust pursuant to Government Code section 3505.
- (b) The Trust shall offer medical, dental, vision, and prescription drug coverage to eligible active employees in the County's Safety Unit, Safety Management and Supervisory Unit, Specialized Peace Officer Unit, Specialized Peace Officer Supervisory Unit, and Specialized Fire Services Unit (the Bargaining Units). The Trust may also offer coverage to former Bargaining Unit employees who are eligible and who retire subsequent to the effective date of the Trust, subject to agreement of the parties. Active Bargaining Unit employees may choose to participate in medical, dental, vision, and prescription drug coverage offered by either the County or by SEBA through the Trust. The open enrollment period and plan year period for the Trust shall coincide with the County's open enrollment and plan year period. The parties shall utilize best efforts to negotiate additional details of the Trust pursuant to Government Code section 3505.
- (c) If the parties reach mutual agreement on the terms and conditions and effective date of the proposed Trust, the County shall make a one-time \$10 million contribution (Contribution) to SEBA's Peace Officers Relief Fund (PORF). The parties agree that the Contribution shall only be used for the creation of the Trust and for the benefit of the individuals described in paragraph (b). The Contribution will be made no sooner than July 30, 2022. There is no expectation by SEBA that the County will make additional contributions in the future. If the agreed-upon Trust is not implemented by the effective date of the Proposed Trust, the County's \$10 million Contribution will be returned to the County and subsection (c) (1) or (c) (2) would apply.
 - (1) If the parties are unable to reach a mutual agreement regarding the proposed Trust and either has declared impasse, the following shall apply: SEBA waives the right to request any post-impasse resolution procedures. If the parties are able to reach mutual agreement on the terms and effective date of an alternative vehicle for healthcare benefits, that meets the parameters outlined in Section (a), the County shall make a one-time \$10 million contribution into PORF. The parties agree that the Contribution shall only be used for the creation of the benefit no later than the agreed-upon effective date of the alternative vehicle for healthcare benefits and for the benefit of the individuals described in paragraph (b). The County Contribution will be made on behalf of the Bargaining Unit employees no sooner than July 30, 2022. There is no expectation by SEBA that the County will make additional contributions in the future on behalf of Bargaining Unit employees. If the agreed-upon alternative vehicle for healthcare benefit is not implemented by

the effective date, the County's \$10 million Contribution will be returned to the County and subsection (c) (2) would apply.

- (2) If the parties are unable to reach mutual agreement on the terms and conditions of the proposed Trust or an alternative vehicle for a healthcare benefit by April 21, 2023 and either has declared impasse, the following shall apply: SEBA waives the right to request any post-impasse resolution procedures. After impasse is declared, the County agrees to provide an apportioned one-time \$10 million Contribution to the individual Retirement Medical Trust (RMT) accounts of active employees in the Bargaining Units who have an existing RMT account as of April 21, 2023.

The County shall allocate the one-time \$10 million Contribution across four different tiers based on years of completed regular County service. These allocated amounts shall be divided across the number of employees in each of the following tiers:

Tiers (Years of Completed Regular County Service)	Contribution Allocation (% of \$10 million)
One year but less than ten years	10%
Ten but less than sixteen years	15%
Sixteen but less than twenty years	25%
Twenty or more years	50%

AMENDMENT

- (3) The parties agree to continue negotiating terms, conditions and the effective date of the proposed Trust as outlined in sections (a), (b) and (c) of this article and to extend the deadline to reach a mutual agreement on the terms and conditions of the proposed Trust or an alternative vehicle from April 21, 2023, to July 28, 2023.

- (a) Additionally, the parties agree that eligible employees who retire from the County between April 21, 2023, and July 28, 2023, will receive upon retirement the apportioned one-time contribution to their RMT as provided in subsection (c) (2). These apportioned one-time contributions shall be based on the contribution allocation tiers in subsection (c) (2) and a point-in-time count of active employees in the Bargaining Units who have an existing RMT account as of April 21, 2023:

<u>Tiers (Years of Completed Regular County Service)</u>	<u>Contribution Allocation (% of \$10 million)</u>	<u>Approximate Number of Eligible Employees as of April 21, 2023</u>
<u>One year but less than ten years</u>	<u>10%</u>	<u>1205</u>
<u>Ten but less than sixteen years</u>	<u>15%</u>	<u>289</u>
<u>Sixteen but less than twenty years</u>	<u>25%</u>	<u>337</u>
<u>Twenty or more years</u>	<u>50%</u>	<u>403</u>

The total amount paid to retired employees between April 21, 2023, and July 28, 2023, will be deducted from the final \$10 million Contribution.

- (b) If the parties are unable to reach mutual agreement on the terms and conditions of the proposed Trust or an alternative vehicle for a healthcare benefit by July 28, 2023, and either has declared impasse, the following shall apply: SEBA waives the right to request any post-impasse resolution procedures.

(i) After impasse is declared, the County agrees to provide an apportioned one-time \$10 million Contribution, less the amount paid to retired employees in subsection (3)(a), to the individual RMT accounts of active employees in the Bargaining Units who have an existing RMT account as of July 28, 2023.

The County shall allocate the one-time \$10 million Contribution, less the amount paid to retired employees in subsection (3)(a), across four different tiers based on years of completed regular County service. These allocated amounts shall be divided across the number of employees in each of the following tiers:

<u>Tiers</u> <u>(Years of Completed Regular County Service)</u>	<u>Contribution Allocation</u> <u>(% of \$10 million)</u>
<u>One year but less than ten years</u>	<u>10%</u>
<u>Ten but less than sixteen years</u>	<u>15%</u>
<u>Sixteen but less than twenty years</u>	<u>25%</u>
<u>Twenty or more years</u>	<u>50%</u>

The contribution amounts will be based on a point-in-time count of active employees in the Bargaining Units who have an existing RMT account as of July 28, 2023.

Date Agreed: 05-24-2023

San Bernardino County

Sheriff's Employees Benefit Association



Leo Gonzalez

County Labor Relations Chief



Grant Ward, President