

CITY OF YUBA CITY  
STAFF REPORT

**Date:** November 15, 2022  
**To:** Honorable Mayor & Members of the City Council;  
**From:** Human Resources Department  
**Presentation By:** Natalie Springer, Human Resources Director

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**Summary**

**Subject:** Bargaining Units Dental and Vision Side Letters  
**Recommendation:** Adopt a Resolution approving side letters with all bargaining units to enhance dental and vision benefits and approving the enhanced dental and vision benefits for unrepresented classifications  
**Fiscal Impact:** For calendar year 2023 the estimated amount of reserves utilized is approximately \$54,074.

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**Purpose:**

To enhance dental and vision benefits for employees and unrepresented classifications.

**Council's Strategic Goal:**

This side letter addresses the City Council's Strategic Goal of fiscal responsibility.

**Background:**

During preparation for the City's benefit open enrollment period, staff and the City's benefit broker analyzed the existing dental and vision benefit funding. Analyzing the funding and reserves for the City's dental and vision program is an annual process, in part because the dental and vision program is self-funded (i.e. the benefit is funded directly by the City, rather than through an insurance carrier). During this review, it was determined that the City could potentially offer employees a slight reduction in dental and vision costs with enhanced benefits by using excess reserves to offset the expense of improved benefits.

Another annual process before open enrollment begins each year is a series of meetings with the bargaining units to review benefits. These bargaining units include Yuba City Firefighter's Local 3793, Police Mid-Managers, Fire Management, First Level Managers, Mid-Managers, Yuba City Police Officers' Association, Police First Level Managers, and Public Employees Union, Local #1. There are also unrepresented classifications including the Confidentials, department heads, and City Manager. Outside of these employee groups, City Council receives benefits that are provided to City employees. As part of the pre-open enrollment meetings, the City reviewed potential enhanced dental and vision benefits with the bargaining units, and the City subsequently communicated that the City's proposal was to use reserves to pay for the enhanced dental and vision benefits as well as offer a slight reduction in dental and vision costs. Additionally, the City provided the bargaining units the ability to

meet and confer regarding the dental and vision enhanced benefits proposal. The bargaining units agreed with the City's proposal, which has resulted in the tentative dental and vision side letter presented to the Council in this agenda item. The City's intent is to continue to pay for the enhanced dental and vision benefits for a period not to exceed five (5) years, provided there are excess reserves each year to fund the benefits at the higher levels. The City will obtain an actuarial evaluation annually and notify the bargaining units accordingly. In the event excess reserves do not support the enhanced benefits for a coming benefit year, the benefits will revert to the levels specified in the current MOUs. The current dental and vision for the bargaining units (including Fire Management's dental/vision benefits that are being recommended for approval during this City Council meeting):

1. For dental, the calendar year maximum shall increase to \$1,750 and for vision, the benefit maximum shall increase to \$600 every 24 months.

### **Analysis**

The enhanced benefits for calendar year 2023 are as follows:

1. Annual deductible shall be \$25 (individual) and \$75 (family);
2. Calendar year maximum benefit shall increase to \$2,000;
3. Basic coverage shall increase to 90% coverage;
4. Major coverage shall increase to 60% coverage;
5. Vision allowance shall increase to \$800 in a 24-month period.

If the bargaining unit side letters are approved, the unrepresented Confidential employees would also receive the identified dental and vision benefits, as their benefits are linked to the Mid-Managers bargaining unit. For the unrepresented department heads, their agreements identify which bargaining unit's benefits they follow and as such they too would receive the enhanced dental and vision benefits that are approved for these units. As to the unrepresented City Manager, the benefits follow the executive service employees. Finally, City Council would also receive these enhanced dental and vision benefits as they are provided benefits through the City's programs.

### **Fiscal Impact:**

For calendar year 2023 the estimated amount of reserves utilized is approximately \$54,074.

### **Alternatives:**

Do not approve bargaining unit side letters for enhanced dental and vision benefits and provide staff direction.

### **Recommendation:**

Adopt a Resolution approving side letters with all bargaining units to enhance dental and vision benefits and approving the enhanced dental and vision benefits for unrepresented classifications

### **Attachments:**

1. Dental and Vision Side Letter Resolution
2. Attachment 2 Collective Dental and Vision Side Letter

Prepared By:  
Natalie Springer

Submitted By:  
Diana Langley

Human Resources Director

City Manager

# ATTACHMENT 1

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY  
APPROVING ENHANCED DENTAL AND VISION BENEFITS FOR ALL  
BARGAINING UNITS AND UNREPRESENTED CLASSIFICATIONS**

WHEREAS, the City recognizes its employees' commitment to the City and its citizens while providing outstanding and dedicated service to all;

WHEREAS, the City's dental and vision benefit is a "self-funded" benefit, meaning there is no outside insurance carrier providing the benefit, but rather that the City funds it directly; and

WHEREAS, the City analyzed the existing dental and vision funding and determined there is an excess reserve in the dental and vision funds;

WHEREAS, the City proposed to the bargaining units a slight reduction in dental and vision cost with enhanced benefits with the excess of reserves;

WHEREAS, the bargaining units have accepted the City's proposal;

WHEREAS, in response to the bargaining units' acceptance of the City's dental and vision proposal, the enhanced dental and vision benefits have been memorialized in negotiated Side Letters;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Yuba City as follows:

**SECTION I**

Bargaining unit side letters providing a mechanism for annual dental and vision benefit enhancements are attached as a collective Attachment 2, are approved for all bargaining units including Yuba City Firefighter's Local 3793, Police Mid-Managers, Fire Management, First Level Managers, Mid-Managers, Yuba City Police Officers' Association, Police First Level Managers, and Public Employees Union, Local #1. Provided an annual evaluation of the dental and vision benefit fund reserve supports it, as determined by the City, these enhancements will be as follows:

1. Annual deductible shall be \$25 (individual) and \$75 (family);
2. Calendar year maximum benefit shall increase to \$2,000;
3. Basic coverage shall increase to 90% coverage;
4. Major coverage shall increase to 60% coverage;
5. Vision allowance shall increase to \$800 in a 24-month period.

**SECTION II**

Unrepresented classifications

Unrepresented classifications including the Confidential employees, department heads, and City Manager shall receive the same enhanced dental and vision benefits as identified in Section I, subject to the same annual review process.

SECTION III

City Council

City Council shall receive the same enhanced dental and vision benefits as identified in Section I, subject to the same annual review process.

In addition, staff is authorized to make any necessary clarifying language changes as long as the changes do not modify the Side Letter's substantive terms or past practice.

The Director of Finance is hereby authorized to make the necessary budget adjustments to implement the provisions of this resolution.

The foregoing Resolution of the City Council of the City of Yuba City was duly introduced, passed and adopted at a regular meeting thereof held on the 15th day of November 2022.

AYES:

NOES:

ABSENT:

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Dave Shaw, Mayor

ATTEST:

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Ciara Wakefield, Deputy City Clerk

Approved as to form:

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Stacey Sheston  
BB&K, Special Counsel

# ATTACHMENT 2

The City of Yuba City and the **Bargaining Unit Name**  
Side Letter of Agreement to the  
**DATE to DATE** MOU

The City of Yuba City ("City") and the **Bargaining Unit Name** ("Union") have met and conferred in good faith pursuant to the requirements of the Meyers-Milias-Brown Act to this side letter amending their Memorandum of Understanding ("MOU"), with a current term of **DATE** through **DATE** as set forth below. This side letter of Agreement describes the Parties' full and complete agreement to amend that MOU by adding the language as set forth below.

Dental/Vision

For calendar year 2023, the City shall pay for enhanced dental/vision benefits. The enhanced dental/vision are as follows: annual deductible shall be \$25 (individual) and \$75 (family), calendar year maximum benefit shall increase to \$2,000, basic coverage shall increase to 90% coverage, major coverage shall increase to 60% coverage, and vision allowance shall increase to \$800 in a 24-month period.

For each following year, not to exceed a total of five (5) years, the City will annually evaluate the dental and vision fund excess reserve. The City will make a discretionary determination, which shall not be subject to bargaining requirements or the grievance process, and then communicate the determination in writing to each bargaining unit as to whether the City will pay for the enhanced dental/vision benefits set forth above for the coming calendar year. In any year when enhanced benefits are not able to be funded, benefit levels will automatically revert to the levels set forth in the unit's MOU. After calendar year 2027, dental and vision benefits will be provided at the level in the unit's MOU subject to the typical negotiations processes.

All other provisions of the MOU between the City and Union shall remain unchanged.

Date: \_\_\_\_\_

CITY OF YUBA CITY

\_\_\_\_\_  
Diana Langley, City Manager

Date: \_\_\_\_\_

**Bargaining Unit**

\_\_\_\_\_  
**Name 1**

\_\_\_\_\_  
**Name 2**

\_\_\_\_\_  
**Name 3**