SIDE LETTER OF AGREEMENT
BETWEEN THE CITY OF SANTA BARBARA
AND THE FIREFIGHTERS' ASSOCIATION BARGAINING UNIT

Pursuant to the provisions of the Meyers-Milas Brown Act, this Side Letter of Agreement ("Agreement") is entered into between the City of Santa Barbara ("City") and Firefighters Association Bargaining Unit ("SBCFA") (collectively, the "Parties"), as an amendment to the Memorandum of Understanding (MOU), covering the term July 1, 2025 to June 30, 2027.

Having met and conferred in good faith, the Parties agree as follows.

1. PURPOSE

The purpose of this Side Letter is to amend Article 48.2 of the MOU, modifying employee contributions to the Retiree Medical Trust. Article 48.2 of the MOU shall be repealed and replaced as set forth below.

2. REVISION TO RETIREE MEDICAL TRUST CONTRIBUTIONS

48.2 – RETIREE MEDICAL TRUST

a. ACKNOWLEDGEMENT. Effective April 1, 2022, per the SBCFA's internal rules, the employees voted to enter into an agreement with the California Firefighters Benefit Trust ("CFBT"). As of August 1, 2023, CFBT was merged into the IAFF Medical Expense Reimbursement Plan of the Washington State Council of Fire Fighters Employee Benefit Trust (hereafter, the "Trust"). The sections below stipulate terms of participation in the Trust.

b. DEFINED CLASS OF EMPLOYEES RECEIVING CONTRIBUTIONS. Employees receiving contributions to the Trust, as set forth below, consists of all EMPLOYEES represented by the SBCFA.

c. EMPLOYEE CONTRIBUTION AMOUNT. The Parties agree that the City shall withhold a mandatory contribution per pay period (24 times annually) on a pre-tax basis from the pay of every Employee who is a member of the bargaining unit represented by the SBCFA and shall transmit such contributions to the Trust pursuant to the requirements in Section d below. Contributions shall be based on the length of City service as set forth below. No employee shall be permitted to opt-out of the mandatory contributions or receive any portion of the contribution in cash.

Completed years of City service	Per pay period contribution amount
Up to 10 years	$100.00
10+ to 20 years	$150.00
20+ years	$200.00

(1) VACATION LEAVE TRANSFER (ANNUALLY): The Parties agree to mandatorily transfer accrued vacation leave to the Trust. Vacation leave is no longer eligible for cash-out and all references to such practice in the MOU, including those in Article 21 and Article 62 are now void. Employees shall not have the option to receive a cash payment in lieu of the mandatory Trust contribution.

(2) VACATION LEAVE TRANSFER (AT SEPARATION): The Parties agree that, upon the employee's separation from the City, the City shall irrevocably contribute to the employee's Trust account on a pre-tax basis, an amount equal in value to 100% of the payments that would otherwise be paid to or on behalf of the employee for unused vacation leave.

The employee, by written election received by the City no later than 30 days prior to separation, may elect to apply any portion of the value of the vacation leave accrual to a qualifying 457 deferred compensation plan up to allowable IRS limits.

The employee shall not have the option to receive a cash payout for the value of the accrued vacation leave in lieu of making contributions to the Trust and/or 457 plan.

(3) CONTRIBUTORY RETIREE CONTRIBUTION. For every employee in the Defined Class meeting the requirements set forth in ARTICLE 48(a) – Retiree Medical Insurance Contribution above, the City shall upon the employee's retirement from the City contribute this benefit amount in accordance with the terms set forth in ARTICLE 48(b) to the retiree's Trust account on a pre-tax basis. No employee/retiree in the Defined Class shall be permitted to opt-out of the mandatory retiree contributions or receive any portion of the contribution in cash.

d. REMITTANCE OF CONTRIBUTIONS. The City shall remit the above contributions directly to the Trust for the duration of the Memorandum of Understanding. Those contributions shall be remitted per pay period, in one aggregate [*ACH transfer or wire*] directly to the custodian of the Trust within 30 days of the date the payment would have been payable to the employee.

e. RECEIPT OF TRUST AGREEMENT. The City hereby acknowledges receipt of the Trust Agreement governing the Trust and will comply with rules set by the Trust Office in regard to reporting and depositing the required contributions set forth herein.

f. REPORTING TO TRUST OFFICE. The City shall electronically submit to the Trust Office a report of contributing employees for each contribution sent to the Trust, in the format requested by the Trust, and received by the Trust Office within five (5) days of receipt of the contribution funds.

(1) The City shall also provide an initial report of information for all contributing employees, as reasonably requested by the Trust; and shall send updates to this information to the Trust Office whenever the City has notice of changes to the information.

g. MODIFICATION OF EMPLOYEE CONTRIBUTION AND LEAVE AMOUNTS. The Parties agree that the SBCFA has the right, subject to approval of its members according to the SBCFA's internal rules, to prospectively modify the amount of the mandatory Employee Contribution (Section C) or to modify the mandatory transfer of employee leave where an employee is eligible to receive a monetary payout of accrued leave during the course of this Agreement, so long as the modification is mandatory for all employees covered by this Agreement.

h. LIMITATION OF LIABILITY. The SBCFA shall indemnify, defend and hold harmless the City from any claim, complaint, assessment, penalty or damages asserted by any person or entity, including any state or federal authority, arising out of SBCFA participation in the Trust, including but not limited to fines, fees, or penalties issued by state or federal taxing authority against the City due to employee payroll deductions or compensation payouts that are directed to the Trust.

3. NO OTHER CHANGES

Except as expressly modified by this Side Letter, all other terms and conditions of the MOU remain unchanged and in full force and effect.

4. EFFECTIVE DATE

This Side Letter shall be effective as of October 2, 2026 subject to approval by the parties' respective authorized representatives and, if required, approval by the City Council.

For the SBCFA:	**For the City:**
(Authorized Signature)	(Authorized Signature)
Renzo Durbiano - Captain	Michael Arnolders, Human Resources Director
Print Name & Title	Print Name & Title
9/10/26	9-14-26
Date	Date