

**City of Culver City, California
Agenda Item Report**

Meeting Date: 01/23/12		Item Number: <u>C-8</u>	
CITY COUNCIL AGENDA ITEM: Adoption of a Resolution Establishing the City's Medical Insurance Contribution under the Public Employees' Medical and Hospital Care Act for Safety Plan Members in the Police Management Group, Fire Management Group, and Firefighters Group, and Rescinding Resolution No's 2006-R079, 2006-R080, and 2007-R048.			
Contact Person/Dept.: Serena Wright		Phone Number: 310-253-5640	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☐ Attachments: ☒	
Commission Action Required: Yes ☐ No ☒ Dates:			
Public Notification: (E-Mail) Meetings and Agendas – City Council (01/19/2012); Culver City Police Management Group, Culver City Fire Management Group, and Culver City Firefighters Association Local 1927, AFL-CIO (01/19/2012).			
Department Approval: Serena Wright (01/17/12)		City Attorney Approval: Carol Schwab (by H. Baker) (01/18/12)	
Chief Financial Officer Approval: Jeff Muir (01/18/12)		City Manager Approval: John M. Nachbar (01/19/12)	
<u>RECOMMENDATION:</u> Staff recommends that the City Council adopt resolutions establishing the City's medical insurance contribution under the Public Employees' Medical and Hospital Care Act (PEHMCA) consistent with the provisions of three (3) respective Memoranda of Understanding (MOU's). <u>BACKGROUND:</u> The City Council recently approved agreements with the Culver City Police Management Group, Culver City Fire Management Group, and the Culver City Firefighters Association Local 1927, AFL-CIO, which provide for a two-tier cafeteria style medical plan. The medical benefits are established under PEMHCA. The adopted MOU's include implementation of a tiered medical program in which employees hired on or after July 1, 2011 would receive a lesser health benefit. In order to effectuate this plan, the City needs to convert to paying the minimum contribution under PEMHCA.			

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DISCUSSION:

PEMHCA requires that the City pay equal contributions for medical benefits for all active and retired unit employees. With the implementation of a tiered medical program, the City's contribution will be amended to reflect the \$112 minimum monthly dollar amount required under PEMHCA. Each year the minimum employer contribution amount is adjusted based on the Medical Care Component of the Consumer Price Index.

In addition, the City will provide a full flex cafeteria plan (Plan) in accordance with IRS Code Section 125 for all active unit employees. Under the Plan, all participating unit employees shall receive a monthly flex dollar allowance to purchase health benefits. This amount includes the mandatory PEMHCA contribution.

It should be noted that amending the City's contribution under PEMHCA will not impact the level of negotiated medical benefits provided to unit employees or retirees.

FISCAL ANALYSIS:

Funds are appropriated in the City Council Adopted Budget for Fiscal Year 2011/2012 to cover health benefit costs.

ATTACHMENTS:

1. Resolution for the Culver City Police Management Group
2. Resolution for the Culver City Fire Management Group
3. Resolution for the Culver City Firefighters Association Local 1927, AFL-CIO

MOTION:

That the City Council:

1. Adopt the Resolution establishing the City's Contribution under the Public Employees' Medical and Hospital Care Act for employees in the Culver City Police Management Group, and rescind Resolution #2007-R048; and,
2. Adopt the Resolution establishing the City's Contribution under the Public Employees' Medical and Hospital Care Act for employees in the Culver City Fire Management Group, and rescind Resolution #2006-R079; and
3. Adopt the Resolution establishing the City's Contribution under the Public Employees' Medical and Hospital Care Act for employees in the Culver City Firefighters Association Local 1927, AFL- CIO, and rescind Resolution #2006-R080.