

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

Meeting Date: 3/26/12		Item Number: C-3	
CITY COUNCIL AGENDA ITEM: Adoption of a Resolution Approving a City Council Compensation Guide which Reduces Retired City Council Members' Medical Insurance Benefits to the Statutory Minimum City Contribution (Currently \$112 per Month).			
Contact Person/Dept.: Serena Wright		Phone Number: (310) 253-5640	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☐ Attachments: ☒	
Public Notification: (E-Mail) Meetings and Agendas – City Council (03/21/12)			
Department Approval: Serena Wright (03/14/12)		City Attorney Approval: Carol Schwab (by H. Baker) (03/21/12)	
Chief Financial Officer Approval: Jeff Muir (03/19/12)		City Manager Approval: John M. Nachbar (03/21/12)	
<u>RECOMMENDATION:</u> It is recommended that the City Council consider a Resolution to approve a City Council Compensation Guide which reduces retired City Council Members' medical insurance benefits to the statutory minimum City Contribution (currently \$112 per month). <u>BACKGROUND:</u> On March 12, 2012, the City Council unanimously voted to direct the City Attorney to prepare a Resolution for the City Council's consideration that, if adopted, would modify existing and future City Council Members' retiree medical benefits by reducing the amount that the City contributes towards the retired Council Members' retiree medical premium to the statutory minimum under the Public Employees' Medical and Hospital Care Act. The statutory minimum amount for 2012 is \$112 per month and may increase annually based on the medical care component of the CPI-U. <u>DISCUSSION:</u> Since 1974, Council Members have received the same health benefits as management employees, including retiree medical benefits. While serving in office, Council Members are currently eligible to participate in the City's medical insurance program whereby the City provides up to \$1,364 per month, based on plan enrollment and family size, to purchase health care benefits such as medical, dental,			

City of Culver City, California
Agenda Item Report

vision, and life insurance. Upon retirement, Council Members are eligible to receive up to \$500.65 per month towards retiree medical premium costs, and up to an additional \$437.00 per month for pre-age 65 spousal/dependent coverage subject to vesting.

Per City Council direction, staff is bringing forth this resolution for the City Council's consideration. If adopted as presented, the proposed resolution would modify the retiree medical benefits for Council Members by reducing the amount paid by the City for retired Council Members' medical benefits to the statutory minimum (currently \$112 per month).

Any retiree medical premium expense incurred above the statutory minimum would be borne by the retired Council Member.

Should the City Council adopt the proposed resolution as presented, the changes in the City Council Members' retiree medical benefits would become effective immediately and would impact Council Members who retire on or after March 27, 2012.

FISCAL ANALYSIS:

Based on the current dollar amounts available, after completion of two terms a City Council Member could be eligible to receive either \$500.65 per month for individual coverage or \$762.85 per month (\$500.65 plus 60% of \$437) for individual plus one spouse/domestic partner/dependent. By converting to the statutory minimum of \$112 per month, the City would save between \$388.65 to \$650.85 per month per eligible City Council Members. The exact amounts will vary slightly in the future based on premium inflation and adjustments to the statutory minimum.

ATTACHMENTS:

Proposed Resolution

MOTION:

That the City Council:

1. Adopt a Resolution approving a City Council Compensation Guide that modifies retiree medical benefits for existing and future Council Members to provide for a City contribution for retired Council Members in the statutory minimum amount.