

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 11/13/06		Item Number: <u>C-6</u>	
AGENDA ITEM: Resolutions Establishing the City's Contribution Cap for PERS Medical Insurance, Effective January 1, 2007, and Rescinding Resolution Numbers 2005-R077, 2005-R078, 2005-R079, 2005-R080, 2005-R081, and 2005-R082.			
Contact Person/Dept.: Linda Coll		Phone Number: 310-253-5645	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☐ Attachments: ☒	
Public Notification: Master Notification List and all Six (6) Employee Organizations Notified on 11/08/06			
Department Approval: Serena Wright (11/06/2006)		City Manager Approval: Jerry B. Fulwood (11/08/2006)	
City Controller Approval: Marlee Chang (11/07/2006)			

RECOMMENDATION:

Staff recommends the City Council approve the contribution cap for PERS medical insurance for calendar year 2007, consistent with the provisions of the six (6) respective Memoranda of Understanding (MOU).

BACKGROUND/DISCUSSION:

The City provides medical insurance coverage through the Public Employees' Retirement System (PERS) to employees and their eligible dependents, and retirees and their eligible dependents. During the past several months, the City has completed negotiations with five (5) of the six (6) recognized bargaining units. Tonight, staff is requesting that the City Council adopt a separate resolution for each bargaining unit establishing the employee and employer contribution for the various PERS medical insurance plans, to become effective January 1, 2007.

- ✓ **Culver City Employees' Association (CCEA)**
- ✓ **Culver City Management Group (CCMG)**
- ✓ **Culver City Police Officers Association (CCPOA)**
- ✓ **Culver City Firefighters Association (CCFA)**
- ✓ **Culver City Fire Management Group (CCMG)**

Under the terms of the five (5) contracts listed above, effective with the pay period that includes January 1, 2007, the City's monthly contribution for medical insurance provided through the PERS Health plan, for active employees and employees that retire on or after January 1, 2007, shall be as follows:

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All plans except PERSCare:

- City shall pay ninety-five percent (95%) of the monthly medical plan premium; and
- Employees and retirees shall pay five percent (5%) of the monthly medical plan premium.

PERSCare Plan:

- City shall pay seventy percent (70%) of the monthly PERSCare premium; and
- Employee and retirees shall pay thirty percent (30%) of the monthly PERSCare premium.

✓ **Culver City Police Management Group (CCPMG)**

Negotiations are currently underway with the CCPMG. Until such time that an agreement is reached and a new MOU is officially adopted by the City Council, the City shall establish the 2007 medical insurance contribution cap using the formula contained in the current CCPMG MOU as set forth below.

The maximum monthly City contribution on behalf of CCPMG unit employees shall be capped at an amount equal to one-half the difference between Kaiser and the most expensive plan, PERSCare. Only those employees electing plans with premiums exceeding the contribution cap are required to pay the difference. The following monthly rates will go into effect for PERSCare (Los Angeles Area Region) effective January 1, 2007, which will result in the following employee contribution rates:

Formula: (PERSCare rate – Kaiser rate)/2 + Kaiser rate = Cap that the City pays

Example: (\$716.17 - \$329.14)/2 + 329.14 = \$522.66

Group	PERSCare 2006 Rate	Employee Paid 2006	PERSCare 2007 Rate	2007 City Cap	Employee Paid 2007
Employee	\$ 633.27	\$163.36	\$ 716.17	\$ 522.66	\$193.51
Emp/Spouse	\$1,266.54	\$326.73	\$ 1,432.34	\$1,045.31	\$387.03
Family	\$1,646.50	\$424.75	\$ 1,862.04	\$1,358.90	\$503.14

FISCAL ANALYSIS:

The adopted budget includes sufficient funds for this expenditure in each department.

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ATTACHMENTS:

No. 1 – 6: Resolutions for the six (6) bargaining units.

MOTION:

That the City Council:

1. Adopt the Resolution setting the insurance cap for employees in the Culver City Fire Management Group and rescind Resolution #2004-R078.
2. Adopt the Resolution setting the insurance cap for employees in the Culver City Firefighters Group and rescind Resolution #2005-R077.
3. Adopt the Resolution setting the insurance cap for employees in the Culver City Police Officers' Association and rescind Resolution #2005-R079.
4. Adopt the Resolution setting the insurance cap for employees in the Culver City Employees' Association and rescind Resolution #2005-R082.
5. Adopt the Resolution setting the insurance cap for employees in the Culver City Police Management Group and rescind Resolution #2005-R080.
6. Adopt the Resolution setting the insurance cap for employees in the Culver City Management Group and rescind Resolution #2005-R081.