



DATE: August 24, 2021

CATEGORY: Consent

DEPT.: Human Resources

TITLE: **Clarification of the Employer Contribution for Employees and Retired Annuitants Under the Public Employees' Medical and Hospital Care Act with Respect to the Mountain View Professional Firefighters and Police Officers Association**

RECOMMENDATION

1. Adopt a Resolution of the City Council of the City of Mountain View Fixing the Employer Contribution at an Equal Amount for Employees and Annuitants Under the Public Employees' Medical and Hospital Care Act with Respect to a Recognized Employee Organization (Group 001 Safety – Fire), to be read in title only, further reading waived (Attachment 1 to the Council report).
2. Adopt a Resolution of the City Council of the City of Mountain View Fixing the Employer Contribution at an Equal Amount for Employees and Annuitants Under the Public Employees' Medical and Hospital Care Act with Respect to a Recognized Employee Organization (Group 002 Safety – Police), to be read in title only, further reading waived (Attachment 2 to the Council report).

BACKGROUND

In March 2014, the Mountain View Professional Firefighters (MVFF), Local 1965, and Police Officers Association (POA) migrated to the California Public Employees' Retirement System (CalPERS) health benefit program administered under the Public Employees' Medical Hospital Care Act (PEMHCA). Accordingly, the City contracts with CalPERS to provide health insurance benefits to sworn active employees and sworn retirees. Benefit levels and cost sharing based on the premiums, including calculation of City contributions, were agreed upon by both bargaining groups, based on the analysis of a study conducted jointly between the MVFF and the City by a labor management committee, which hired an actuarial consultant to advise the City.

In October 2015, the City adopted new resolutions to clarify the employer contribution as required by CalPERS to ensure CalPERS honored the City's contribution to rates as

intended and outlined in Memorandums of Understanding (MOU) with both groups. The MOUs establish the City's contribution as a percentage of the premium rather than as a certain dollar amount. In September 2019 and September 2020, the City Council adopted new resolutions at the direction of CalPERS, which incorporated the requirement for specific contribution amounts in the resolution and necessitated adoption of new resolutions on an annual basis to honor the contribution structure agreed upon with labor groups. This annual process is now required by CalPERS.

In July 2021, the CalPERS Board approved new rates for 2022 health insurance plans, and City contributions have been calculated according to labor agreements. The deadline to file a new resolution with CalPERS is November 30, 2021; however, CalPERS encourages adoption sooner to align with their open enrollment period of September 20, 2021 through October 12, 2021. The resolutions are included in this report as Attachments 1 and 2 and include the specific contribution amounts, based on 2022 premium rates and the contribution structure in the MOUs.

ANALYSIS

The City has engaged with leadership of the POA, MVFF, and unrepresented sworn management regarding the need to adopt a PEMHCA resolution for 2022 employer contributions. All parties are in agreement with the updated resolution outlining City contributions to comply with CalPERS requirements, maintain the intent of the current employer contribution structure as outlined in MOUs, and support adoption of new resolutions as soon as possible to ensure employees and eligible annuitants have the open enrollment information needed to make informed medical insurance decisions during the CalPERS open enrollment period.

FISCAL IMPACT

There is no fiscal impact associated with these resolutions. The City's premium contributions will be applied as intended when the migration to CalPERS health benefits was approved.

ALTERNATIVES

1. Direct staff to provide additional information.
2. Provide other direction.

PUBLIC NOTICING

Agenda posting and copies to the Mountain View Professional Firefighters, Local 1965,
and the Police Officers Association.

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- Attachments: 1. Resolution—Fixing Employer Contribution for Employees and Retired Annuitants with Respect to the MVFF
2. Resolution—Fixing Employer Contribution for Employees and Retired Annuitants with Respect to the POA