



**DATE:** September 8, 2020

**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 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 (001 Safety-Fire), to be read in title only, further reading waived (Attachment 1 to the Council report).
2. Adopt a Resolution 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 (002 Safety-Police), to be read in title only, further reading waived (Attachment 2 to the Council report).
3. Adopt a Resolution Authorizing the City Manager or Her Designee to Execute a Side Letter Amending the Memorandum of Understanding Between the Police Officers Association and the City for the Period of July 1, 2020 through June 30, 2021, to be read in title only, further reading waived (Attachment 3 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 the Memorandums of Understanding (MOU) with both groups. Again, in September 2019, 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 required by CalPERS.

In July 2020, the CalPERS Board approved new rates for 2021 health insurance plans, and City contributions have been calculated according to existing labor agreements. The deadline to file a new resolution with CalPERS is November 30, 2020; however, CalPERS encourages adoption sooner to align with their open enrollment period of September 21, 2020 through October 16, 2020.

### **ANALYSIS**

The City has engaged with leadership of the POA, MVFF, and unrepresented sworn management regarding the need to adopt a PEMHCA resolution for 2021 employer contributions. All parties are in agreement with the updated resolution language to comply with CalPERS requirements and maintain the intent of the current employer contribution structure as outlined in existing MOUs.

The current language in the POA MOU requires adoption of a side letter to update the employer contributions for 2021. The terms amend current resolution language with regard to the calculation of the City's contributions to health-care premiums in order to reflect 2021 health-care premiums. The current MOU language in the MVFF MOU does not require a side letter to approve annual contribution calculations based on new premium amounts. All parties agree adoption of new resolutions as soon as possible is important 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
  3. Resolution—POA—Authorizing Execution of Side Letter