



DATE: September 10, 2019

CATEGORY: Consent

DEPT.: City Manager's Office

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 (Group 001 Safety-Fire), to be read in title only, further reading waived (Attachment 1 to the Council report).
2. Adopt a Resolution Authorizing the City Manager or His Designee to Execute a Side Letter Amending the Memorandum of Understanding Between the Mountain View Professional Firefighters, Local 1965, and the City for the Period of July 1, 2017 through June 30, 2020, to be read in title only, further reading waived (Attachment 2 to the Council report).
3. 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 (Group 002 Safety-Police), to be read in title only, further reading waived (Attachment 3 to the Council report).
4. Adopt a Resolution Authorizing the City Manager or His 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, 2017 through June 30, 2020, to be read in title only, further reading waived (Attachment 4 to the Council report).

BACKGROUND

In March 2014, the Mountain View Professional Firefighters (MVFF), Local 1965, and Police Officers Association (POA) migrated to the 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 of Bay Area Region plans were agreed upon through the analysis of a study conducted jointly between the MVFF and the City of Mountain View by a labor management committee, which hired an actuarial consultant to advise the Committee. In October 2015, the City adopted new resolutions to clarify the employer contribution as required by CalPERS to ensure CalPERS honored the Bay Area Region rates intended.

In December 2018, the CalPERS board approved a region change for public agency plans, which reduces the number of regions, modifies region boundaries, and revises the names of each region to a sequential numbering rather than a name based on the geographical location of the region. In March 2019, CalPERS issued a letter notifying the City that our current resolution outlining employer contributions will be invalid effective January 1, 2020 as the Bay Area Region no longer exists. The deadline to file a new resolution with CalPERS is November 30, 2019; however, CalPERS encourages adoption sooner to align with their open enrollment period of September 9, 2019 through October 4, 2019.

ANALYSIS

The City met with the leadership of the POA, MVFF, and unrepresented sworn management regarding the need to adopt a valid PEMHCA resolution. All parties are in agreement with the updated resolution language to use CalPERS region names to comply with CalPERS requirements and to maintain the intent of the current employer contribution structure.

Draft side letters governing medical insurance benefits have been agreed upon with MVFF and POA. The terms amend current resolution language with regard to the calculation of the City's contributions to health-care premiums in order to maintain the contribution method agreed upon through prior bargaining while reflecting changes to the CalPERS health plans. 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.

Outreach to the general sworn employee and eligible annuitant population regarding City contribution language will not be necessary as this resolution simply confirms the agreed-upon employer contribution. MVFF and POA leadership have agreed to assist in communication with covered individuals regarding the timeline of new language adoption and distribution of open enrollment materials as employee rates cannot be distributed until a new resolution is adopted by the Council and filed with CalPERS.

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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035-09-10-19CR
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- Attachments:
1. Resolution – Fixing Employer Contribution for Employees and Retired Annuitants with Respect to the MVFF
 2. Resolution – MVFF – Authorizing Execution of Side Letter
 3. Resolution – Fixing Employer Contribution for Employees and Retired Annuitants with Respect to the POA
 4. Resolution – POA – Authorizing Execution of Side Letter