



COUNCIL REPORT

DATE: September 12, 2023

CATEGORY: Consent

DEPT.: Human Resources

TITLE: **Employer Health Contribution for Safety Employees and Retired Annuitants Under the Public Employees’ Medical and Hospital Care Act**

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 Mountain View 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. The agreed-upon terms were 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. In September 2019, September 2020, August 2021, and August 2022, the City Council adopted new resolutions at the direction of CalPERS, which incorporated the requirement for specific contribution amounts in

the resolution and complied with the requirement to adopt new resolutions on an annual basis to honor the contribution structure agreed upon with labor groups. This annual process is required by CalPERS.

ANALYSIS

In July 2023, the CalPERS Board approved new rates for 2024 health insurance plans, and City contributions have been calculated anew according to labor agreements. The deadline to file new resolutions with CalPERS is November 30, 2023. However, CalPERS encourages adoption sooner to align with their open enrollment period of September 18, 2023 through October 13, 2023. The resolutions are included in this report as Attachments 1 and 2, and include the specific contribution amounts, based on 2024 premium rates and the contribution structure in the MOUs.

The City has engaged with leadership of MVFF, POA, and unrepresented sworn management regarding the need to adopt a PEMHCA resolution for 2024 employer contributions and has shared the updated employer contributions in the attached resolutions with all parties. The attached resolutions are updated to outline 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

The increase in the City's premium contributions is included in the Fiscal Year 2023-24 Adopted Budget.

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 Safety—Fire
 2. Resolution—Fixing Employer Contribution for Employees and Retired Annuitants with Respect to Safety—Police