



Council Agenda Report

From: Marlaine Sanders, Human Resources Manager

Subject: Elected Official – Modification to Defined Health Benefit

Date: June 6, 2017

Facts

1. The City's elected Mayor, Councilmembers, City Treasurer, and City Clerk receive a monthly stipend and benefits that are set by resolution, and those benefits received include: medical, dental and vision coverage.
2. When City employee groups converted to the lower cost CalPERS Health Plan in January 2015, the medical coverage and benefit for Elected Officials also changed.
3. The defined monthly contribution (aka "insurance allowance") for Elected Officials was set at the same level as the Service Employee International Union (SEIU) employee group in 2015. In 2016, when the SEIU group's monthly defined contribution was modified, so was the monthly contribution for Elected Officials, keeping them at parity with SEIU.
4. The SEIU group's monthly defined medical contribution was again modified on May 2, 2017 as part of their negotiated Memorandum of Understanding.
5. The City Council, City Treasurer, and City Clerk all dedicate a significant amount of time to serve the community on City matters.

Options

1. Take no action.
2. Approve Resolution No. 17-XXX modifying the monthly defined medical contribution for Elected Officials.
3. Provide alternative direction as may be appropriate.

Analysis and Conclusions

Option 1: No action by the City Council would maintain the status quo and keep the defined health benefit amount unchanged.

Option 2: The City Council dedicates a significant amount of time to serve the community in matters of City policy and general governance. The elected City Treasurer and City Clerk likewise spend significant time in serving the public interest. In recognition of that time and service, these Elected Officials receive a modest compensation package that consists of a monthly stipend, enrollment in the City's group medical, dental and vision insurance plans, and a monthly allowance to be used towards medical insurance premiums. The Elected Officials' defined medical contribution was benchmarked to SEIU in 2015 and again in 2016. It is suggested to be modified at this time to continue achieving parity.

Option 3: Should the City Council identify additional considerations within the context of City Council compensation and benefits, such direction can be provided.

Fiscal Impact

The annual cost of increasing the monthly defined medical contribution for Elected Officials is \$2,280. This cost is based on the current status of coverage utilized by Elected Officials, which could change up or down in the future.

Recommendation

Approve Resolution 17-XXX modifying the monthly defined medical contribution for Elected Officials.

Attachments

1. Resolution 17-XXX modifying the defined medical contribution for Elected Officials

RESOLUTION NO. 17-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES
MODIFYING THE DEFINED HEALTH BENEFIT FOR ELECTED OFFICIALS

WHEREAS, the Mayor, City Councilmembers, City Treasurer and elected City Clerk receive a monthly stipend and benefits that are set by resolution, and those benefits received include: medical, dental and vision coverage; and

WHEREAS, when City employee groups converted to the lower cost CalPERS Health Plan in January 2015, the medical coverage and benefit for Elected Officials also changed; and

WHEREAS, the defined monthly contribution for Elected Officials was set at the same level as the Service Employee International Union (SEIU) employee group in 2015 and was modified on May 3, 2016 to keep parity when the SEIU group's monthly defined contribution was modified; and

WHEREAS, the SEIU group's monthly defined medical contribution was again modified on May 2, 2017; and

WHEREAS, the City Council dedicates a significant amount of time to serve the community in matters of City policy and general governance, as does the Treasurer and elected City Clerk.

NOW, THEREFORE, LET IT BE RESOLVED by the City Council of the City of El Paso de Robles that the defined medical contribution for Elected Officials shall be modified as shown in the attached Exhibit A.

PASSED AND ADOPTED by the City Council of the City of El Paso de Robles this 6th day of June 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Steven W. Martin, Mayor

ATTEST:

Kristen L. Buxkemper, Deputy City Clerk

EXHIBIT A

MEDICAL CONTRIBUTION FOR CITY OF PASO ROBLES ELECTED OFFICIALS

Effective January 1, 2017.

An Elected Official will have the choice of available plans offered by CalPERS. The City will pay up to the following total monthly amounts for selected plans.

Elected Official only	\$653
Elected Official +1	\$1,257
Elected Official +2	\$1,640

An Elected Official providing evidence of other group medical insurance that provides minimum essential coverage for themselves and all family members (for whom they reasonably expect to claim a personal exemption deduction for the taxable year) and opting out of the CalPERS medical coverage will qualify to receive a cash payment of \$300 per month. Coverage in the individual market, whether or not from the insurance marketplace (like Covered California) will not qualify the Elected Official for the opt out cash payment. Elected Officials will be required to submit proof of their qualified coverage prior to the beginning of each calendar year, and are also required to review and sign the opt-out attestation.