



Council Agenda Report

From: Marlaine Sanders, Administrative Services Director

Subject: Elected Officials – Modification to Defined Health Benefit

Date: January 16, 2018

Facts

1. The Mayor, City Councilmembers, City Treasurer, and City Clerk (“Elected Officials”) receive a monthly stipend and benefits that are set by resolution. Group health benefits received include: medical, dental, and vision coverage.
2. The City paid the monthly premium for the Elected Officials health benefits until January 2015 when City employee groups converted to the lower cost CalPERS medical plan. Elected Officials medical coverage also changed to the lower cost CalPERS medical plan and the City established a defined monthly contribution (aka “insurance allowance”) for Elected Officials, set at the same level as the Service Employee International Union (SEIU) employee group.
3. Elected Officials have been contributing up to \$141 per month for their medical premium under the new CalPERS medical plan, whereas prior to January 2015, their medical benefit was paid by the City.
4. The Elected Officials’ monthly defined medical contribution is recommended to be revised to the cost of the CalPERS Choice PPO Plan, with coverage for the Elected Official and one qualified dependent.

Options

1. Take no action.
2. Adopt Resolution 18-XXX modifying the monthly defined medical contribution for Elected Officials.
3. Adopt Resolution 18-XXX modifying the monthly defined medical contribution for Elected Officials with modifications.

Analysis and Conclusions

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 pay stipend, and enrollment in the City’s group medical, dental and vision insurance plans, for themselves and one qualified dependent.

Fiscal Impact

The annual cost of revising the monthly defined medical contribution for Elected Officials is \$5,551. That cost is based on the current status of coverage utilized by Elected Officials, and the current monthly premium for the PERS Choice PPO Plan, which could change up or down in the future. Future costs will be incorporated in the upcoming 2-year budget.

Recommendation

Approve Resolution No. 18-XXX modifying the monthly defined medical contribution for Elected Officials.

Attachments:

1. Resolution No. 18-XXX modifying the defined medical contribution for Elected Officials.

RESOLUTION NO. 18-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; and

WHEREAS, the Elected Officials monthly cost for medical coverage is now up to \$141, when in the past this benefit was paid by the City: 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 16th day of January 2018 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

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, 2018.

An Elected Official will have the choice of available plans offered by CalPERS. The City will pay up to the monthly cost of the PERS Choice PPO Plan, for the Elected Official and one dependent. Current rates for 2018 are as follows:

Elected Official only \$698.96
Elected Official +1> \$1,397.92

An Elected Official providing evidence of other medical insurance coverage and opting out of CalPERS medical coverage will receive a cash payment of \$300 per month.