



**DATE:** January 16, 2018

**TO:** Mayor and City Council

**FROM:** Director of Human Resources

**SUBJECT:** Adoption of a Resolution Establishing the City Contribution for Active and Retiree Medical Premiums Set by the California Public Employee Retirement System (CalPERS) for Calendar Year 2018 pursuant to California Government Code Section 22892 of the Public Employees Medical and Hospital Care Act

### **RECOMMENDATION**

That the City Council approves the attached resolution (Attachment II) authorizing the implementation of the mandatory minimum employer contributions to active and retiree medical premiums for calendar year 2018.

### **BACKGROUND/DISCUSSION**

The City contracts with CalPERS to provide quality health benefits to its active and retired employees. California Government Code Section 22892 of the Public Employees Medical and Hospital Care Act (PEMHCA) establishes the minimum employer health contribution. The CalPERS Board annually adjusts the employer contribution to reflect any change in the Medical Care Component of the Consumer Price Index, rounded to the nearest dollar. The table below shows the minimum employer contribution required by CalPERS for the last six years, and the 2018 rate:

<b>Calendar Year</b>	<b>Employer Contribution</b>
2012	\$112.00
2013	\$115.00
2014	\$119.00
2015	\$122.00
2016	\$125.00
2017	\$128.00
2018	\$133.00

This action is necessary to meet the requirement that the governing body adopt a resolution agreeing to the minimum contribution amount established by CalPERS.

The City currently contributes to medical premiums in accordance with the terms of the existing agreements between each of the bargaining units, based on the health plan and family

status employees elect and for which they are eligible. For both retirees and active employees, the total amount the City contributes towards medical benefit premiums exceeds the statutory minimum contribution required by CalPERS.

**FISCAL IMPACT**

This action is for administrative purposes only. There is no fiscal impact associated with this report because the City's current contribution toward employee medical premiums as provided for in applicable Memoranda of Understanding has already been established and this action does not provide an increase to the current total City contribution towards medical premiums.

*Prepared by:* Anthony Phillip, Human Resources Analyst I

*Recommended by:* Nina S. Collins, Director of Human Resources

Approved by:



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Kelly McAdoo, City Manager