



# City of Carson

## Report to Mayor and City Council

November 19, 2013  
New Business Consent

**SUBJECT: CONSIDERATION OF RESOLUTION NO. 13-112 FIXING THE EMPLOYER'S CONTRIBUTION UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT**

*Liya Beglund for JA*  
Submitted by Jacquelyn Acosta  
Acting City Manager

*Liya Beglund for JA*  
Approved by Jacquelyn Acosta  
Acting City Manager

### **I. SUMMARY**

This resolution (Exhibit No. 1) being presented to the City Council for adoption is a requirement of the California Public Employees' Retirement System (CalPERS) to establish the City's monthly health insurance contribution for eligible City employees and annuitants.

### **II. RECOMMENDATION**

WAIVE further reading and ADOPT Resolution No. 13-112, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, FIXING THE EMPLOYER'S CONTRIBUTION UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT (PEMHCA)."

### **III. ALTERNATIVES**

Wait until all negotiations have been completed with the various City of Carson employee bargaining units before adopting this resolution, which would mean that the new monthly allowance would take affect at some time after January 1, 2014.

### **IV. BACKGROUND**

As a result of current negotiations with the City's represented employee bargaining units – the American Federation of State, County and Municipal Employees Council 36, Local 809 (AFSCME), the Association of Management Employees (AME), the Association of Confidential Employees (ACE), the Carson Professional and Supervisors Association (CPSA), effective January 1, 2014, if this resolution is adopted tonight, the City shall pay the medical premiums for its eligible employees up to the highest full-family HMO rate in the Los Angeles service area, not to exceed, one thousand four hundred thirty-five dollars (\$1,435.00). The highest HMO full-family premium in the Los Angeles service area is Anthem Traditional HMO.

The City shall provide the Mayor and City Council, the City Clerk and City Treasurer, the Unclassified Exempt Management group, and annuitants the same amount to pay for their health insurance premiums as provided to represented full-time employees.

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amount to pay for their health insurance premiums as provided to represented full-time employees.

In addition, effective January 1, 2014, the minimum contribution for each part-time employee that meets the CalPERS membership requirements and elects to participate in the health insurance coverage shall be \$119.00 per month. The minimum employer contribution rate has been established in conjunction with California Government Code Section 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA) and the Board to reflect any changes in the medical care component of the CPI-U.

CalPERS law requires that the employer's contribution specified in the resolution shall be effective on the first day of the second month following the month in which the Council resolution is filed with the CalPERS' Board of Administration. Thus, the new employer contribution for health insurance for all eligible employees will become effective January 1, 2014, if this resolution is adopted tonight.

**V. FISCAL IMPACT**

The maximum cost for the increase in the monthly health allowance for the remaining 6 months of this fiscal year, if all employees were using the full monthly allowance, would be \$88,500.00. However in reality only about 20% of the employees use the full monthly allowance.

**VI. EXHIBITS**

1. Resolution No. 13-104. (pgs. 3-4)

Prepared by: Duane K. Munson, Human Resources Officer

*Document 1*

*TO: Rev 10-14-2013*

Reviewed by:

City Clerk	City Treasurer
Administrative Services	Public Works
Community Development	Community Services

**Action taken by City Council**

Date \_\_\_\_\_ Action \_\_\_\_\_

RESOLUTION NO. 13-112

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON,  
CALIFORNIA, FIXING THE EMPLOYER'S CONTRIBUTION UNDER THE  
PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT (PEMHCA)

WHEREAS, Government Code Section 22892(a) provides that a local agency contracting under the Public Employees' Medical and Hospital Care Act (PEMHCA) shall fix the amount of the employer's contribution at an amount not less than the amount required under Section 22892(b)(1) of the Act; and

WHEREAS, the City of Carson, California, is a local agency contracting under the Act.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, DOES HEREBY RESOLVE, FIND, DETERMINE AND ORDER AS FOLLOWS:

**Section 1.** That the employer's contribution for each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan up to a maximum of:

<u>Code</u>	<u>Bargaining Unit</u>	<u>Contribution per Month</u>
01	Supervisors Association	\$1,435.00
02	Association of Management Employees	\$1,435.00
03	AFSCME, 809 Council 36-Classified	\$1,435.00
04	At-Will Exempt	\$1,435.00
05	Elected Officials	\$1,435.00
06	Association of Confidential Employees	\$1,435.00
07	City Council	\$1,435.00
08	Professional Association	\$1,435.00
09	Unclassified-AFSCME-Represented	\$ 119.00
10	Unclassified-Non-Represented	\$ 119.00

Plus administrative fees and Contingency Fund assessments.

**Section 2.** That the City of Carson has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above.

**PASSED, APPROVED and ADOPTED** this 19th day of November, 2013.

\_\_\_\_\_  
Mayor Jim Dear

ATTEST:

\_\_\_\_\_  
City Clerk Donesia L. Gause, CMC

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney



I, Donesia L. Gause, City Clerk of the City of Carson, California, do hereby certify that the whole number of members is five; that the foregoing resolution, being Resolution No. 13-104 was duly and regularly adopted by said City at a regular meeting duly and regularly held on the 19<sup>th</sup> day of November, 2013 and that the same was passed and adopted by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

By: \_\_\_\_\_  
City Clerk

