

**ITEM 3 ATTACHMENT
RESOLUTION NO. 2017-1563**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CALABASAS, CALIFORNIA, ESTABLISHING EMPLOYEE
FLEX CREDIT AMOUNTS FOR 2018 BENEFITS AND
RESCINDING RESOLUTION NO. 2016-1518.**

This resolution is adopted in order to set forth Flex Credit Amounts for the Section 125 Benefits Program (referred to as the Cafeteria Plan). The following shall be effective as of January 1, 2018.

For health insurance, the City contracts with the Public Employee Retirement System regular health benefits program; employees may choose among various HMO/PPO plans. For dental insurance, the City contracts with Delta Dental. For vision insurance, the City contracts with Vision Service Plan (VSP). Short term/long term disability insurance and life insurance are provided by VOYA Financial.

The City agrees to pay the cost of medical, dental, and vision insurance for all full-time permanent employees, Councilmembers, and dependents, only up to premium costs as follows:

<u>EMPLOYEE STATUS/PLAN ENROLLMENT</u>	<u>MONTHLY CREDIT AMOUNT</u>
Employee Only	\$674.89
Employee + One Dependent	\$1,335.08
Employee + Two or More Dependents	\$1,763.51

Health Insurance Cash Out Option - With proof of other medical coverage, full-time permanent employees are eligible to receive a monthly cash credit in the amount of 50% of the highest single employee medical premium credit covered by the City. This amount for 2018 is \$364.70. This credit cannot be applied directly to deferred compensation; it will be considered taxable income. Because compensation for Councilmembers is fixed by state law, Councilmembers are not eligible for this option.

Health Insurance Surplus Option - For full-time permanent employees, any surplus plan credits will be considered taxable income and/or can be applied to either flexible spending account. Participants can make elections for contributions with pre-tax earnings if the cost of insurance coverages exceeds the amount of the benefit credit.

Health Care and Dependent Care Flexible Spending Accounts – permanent full-time employees have the option of participating in the City’s Health Care and Dependent Care Flexible Spending Accounts, which allows for a choice between certain benefits and taxable cash income. The annual maximum amount allowed for the Health Care Flexible Spending Account is \$2,600; the annual maximum amount allowed for the Dependent Care Flexible Spending Account is \$5,000. Participation is paid for by the employee.

Life Insurance - for permanent full-time employees, the City contracts with VOYA Financial for which the benefit amount is three times the employees annual salary (maximum \$350,000), and \$50,000 for each Councilmember. The City agrees to pay the full cost for life insurance for permanent full-time employees, including City Councilmembers.

Short Term/Long Term Disability Insurance - the City contracts with VOYA Financial. The City agrees to pay the full cost for short term/long term disability insurance for permanent full-time employees.

Employee Assistance Program - the City contracts with MHN under California State Association of Counties. The City agrees to pay the full cost for the program premium for permanent full-time employees.

Resolution No. 2016-1518 is hereby rescinded.

The City Clerk shall certify to the adoption of this Resolution and shall cause the same to be processed in the manner required by law.

PASSED, APPROVED AND ADOPTED this 11th day of October, 2017.

Mary Sue Maurer, Mayor

ATTEST:

Maricela Hernandez, MMC, City Clerk

APPROVED AS TO FORM:

Scott H. Howard
Colantuono, Highsmith & Whatley, PC