



CITY of CALABASAS

CITY COUNCIL AGENDA REPORT

DATE: NOVEMBER 27, 2017

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: DR. GARY J. LYSIK, CHIEF FINANCIAL OFFICER

SUBJECT: ADOPTION OF RESOLUTION NO. 2017-1571, RESCINDING RESOLUTION NO. 2017-1538 AND REESTABLISHING THE AMOUNT AND PROCEDURE FOR HEALTH BENEFIT REIMBURSEMENT FOR MANAGEMENT RETIREES.

MEETING DATE: DECEMBER 13, 2017

SUMMARY RECOMMENDATION:

Staff recommends that Council adopts Resolution No. 2017-1571, rescinding Resolution No. 2017-1538 and reestablishing the amount and procedure for health benefit reimbursement for management retirees.

BACKGROUND:

On January 25, 2017, City Council approved Resolution No. 2017-1538 which established the amount and procedure for health benefit reimbursement for management employees. It clarified who the recipients of the benefit were, how the amount of the benefit was established, and when the benefit would be paid out.

DISCUSSION:

Resolution No. 2017-1538 made it clear that to receive this benefit, it was no longer necessary to:

1. Be a minimum age of 55; or
2. Concurrently retire from both the City and from PERS.

Resolution No. 2017-1538 failed however to detail what would happen in the event that a Management Retiree works for another PERS agency while still working for the City of Calabasas, and then ceases to work for the City of Calabasas before retiring from PERS. To clarify Council's intent for handling such a situation, Resolution No. 2017-1571 modifies Section 2 to read as follows:

***Section 2.** Eligibility to receive medical insurance premium payments after retiring from PERS.*

A Management Retiree is eligible to receive medical insurance premium payments if he/she:

- a. Has been employed by the City for a minimum of five (5) years; and*
- b. Retires from the PERS System with the City of Calabasas being the Management Retiree's last place of PERS employment; or*
- c. Retires from the PERS System at another PERS agency ("the Second PERS Agency") if he/she was simultaneously employed by the City and the Second PERS Agency.*

FISCAL IMPACT / SOURCE OF FUNDING:

The fiscal impact of this action is not immediately known, as the number of Management Retirees which will fit into this category is not available. However, the current cost for providing health benefit reimbursements for a Management Retiree is \$691.94 per month for "Employee & 1 Dependent", or \$345.97 per month for "Employee Only".

This benefit is currently, and will remain an expense of the General Fund.

REQUESTED ACTION:

Adopt Resolution No. 2017-1571, rescinding Resolution No. 2017-1538 and reestablishing the amount and procedure for health benefit reimbursement for management retirees.

ATTACHMENTS:

- A. Resolution No. 2017-1571