



CITY of CALABASAS

CITY COUNCIL AGENDA REPORT

DATE: OCTOBER 19, 2020

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: SCOTT H. HOWARD, CONTRACT CITY ATTORNEY
MATTHEW T. SUMMERS, ASSISTANT CITY ATTORNEY
COLANTUONO HIGHSMITH & WHATLEY, PC

SUBJECT: ADOPTION OF RESOLUTION NO. 2020-1708, AMENDING
RESOLUTION NO. 2017-1571 ESTABLISHING THE AMOUNT AND
PROCEDURE FOR HEALTH BENEFIT REIMBURSEMENT FOR
MANAGEMENT RETIREES

**MEETING
DATE:** OCTOBER 28, 2020

SUMMARY RECOMMENDATION:

Staff recommends City Council consider adoption of Resolution No. 2020-1708 amending Resolution 2017-1571 establishing the amount and procedure for health benefit reimbursement for management retirees.

REPORT:

BACKGROUND

In March 2020, the California Attorney General published a legal opinion that a City could not provide benefits to City Council Members greater than those available to the most generously benefitted group of non-safety employees, and further required that cities take steps to correct the situation.¹ At present, the City's program complies with the Opinion and underlying applicable law, because the City offers the same health and other benefits to current City Council Members as are offered to the

¹ 103 Ops.Cal.Atty.Gen. 8 (March 3, 2020)

City's management employees group, on the same terms and at the same prices. The City Attorney and the Finance Department further reviewed the retiree medical benefits program and determined that the program should be adjusted to confirm its intent as a reimbursement for specified health insurance costs borne by eligible retirees. The proposed resolution amends Resolution 2017-1571 to revise the retiree health benefits program to be a reimbursement, up to a defined cap, of the medical benefits premium costs incurred by each eligible retiree.

ANALYSIS

The City may pay the premiums, dues, or other charges for health and welfare benefits² for retired employees and retired Council Members, if retired Council Members are provided the same benefits, on the same terms and prices, as a large group of employees.³ The benefits extended to retired City Council Members must not be more generous than those provided to the most generously benefitted group of non-safety employees, meaning persons who are not sworn law enforcement, firefighter, or other public safety employees.⁴

At present the City makes available retiree medical benefits to the management group of employees. The City also makes available the same benefits to retired Council Members as are available to other retired management employees. In compliance with applicable law, this resolution provides that retirees eligible for retiree medical benefits will receive a reimbursement of their premiums, dues, and other charges for health and welfare benefits, up to a cap defined as the cost of the "PERS Choice Medical Supplement" coverage for the employee and one dependent, to be adjusted each year as PERS changes that price.

FISCAL IMPACT.

The adoption of this Resolution may result in reduced retiree medical benefits for the City, if any eligible retirees receive reduced reimbursement payments as a result of having medical benefits premiums costs below the defined maximum reimbursement amount.

REQUESTED ACTION:

Staff recommends that the City Council adopt the Proposed Resolution.

ATTACHMENT:

Resolution No. 2020-1708

² Gov't Code, § 53205.

³ Gov't Code, § 53202.3.

⁴ Gov't Code, § 53208.5, subd. (b.).