




CITY of CALABASAS

CITY COUNCIL AGENDA REPORT

DATE: August 5, 2021

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: RON AHLERS, CHIEF FINANCIAL OFFICER 

SUBJECT: ADOPTION OF RESOLUTION NO. 2021-1746 OF THE CITY COUNCIL OF THE CITY OF CALABASAS, ESTABLISHING THE AMOUNT AND PROCEDURE FOR HEALTH BENEFIT REIMBURSEMENT FOR MANAGEMENT RETIREES AND RESCINDING RESOLUTION NO. 2021-1723.

MEETING DATE: AUGUST 25, 2021

SUMMARY RECOMMENDATION:

Staff recommends City Council adopt Resolution No. 2021-1746 establishing the amount and procedure for health benefit reimbursement for management retirees and rescinding Resolution 2021-1723.

BACKGROUND:

The City of Calabasas (City) contracts with the California Public Employees Retirement System (CalPERS) to provide medical insurance benefits for: City Council, full-time city employees and city retirees who elect to remain in the CalPERS medical insurance program.

Each year the CalPERS Board of Administration (Board) reviews the medical insurance program and makes changes to: insurance providers, rates, coverage and regions. In November 2020, the Board approved replacing the current CalPERS PPO Basic and PPO Medicare Supplemental Plans (PERS Care, PERS Choice, and PERS Select) with the proposed PERS Platinum and PERS Gold plans. Benefit design changes will be

considered in November 2021 by the Board. The specific changes are:

- Plan Name Change for 2022 PERS Care Transition to PERS Platinum. Retains the same 90/10 benefit design and network as PERS Care/PERS Choice.
- PERS Choice Transition to PERS Platinum. Offers a 90/10 benefit design and retains the network of PERS Care/PERS Choice.
- PERS Select Transition to PERS Gold. Retains the same 80/20 benefit design and network as PERS Select.
- PERS Care Supplement to Medicare Plan Transition to PERS Platinum Supplement to Medicare Plan. No changes to benefit design or network.
- PERS Choice Supplement to Medicare Plan Transition to PERS Platinum Supplement to Medicare Plan. No changes to benefit design or network.
- PERS Select Supplement to Medicare Plan Transition to PERS Gold Supplement to Medicare Plan. No changes to benefit design or network.

The City's management retiree health benefit Resolution No. 2021-1723 references the dollar amount for PERS Choice Medicare plan.

DISCUSSION/ANALYSIS:

Because the CalPERS Board has eliminated the PERS Choice Medicare Plan, the City must decide on which PPO plan to replace it. The CalPERS Board stated the PERS Choice is being replaced by PERS Platinum. Therefore, staff recommends the management retiree health benefit resolution reflect this change to PERS Platinum.

FISCAL IMPACT/SOURCE OF FUNDING:

The annual budget estimates the amount spent each year for management and city council retiree health benefits. The calendar year 2021 amount for PERS Choice Medicare 2-Party is \$699.94 per month per retiree. The calendar year 2022 amount for PERS Platinum Medicare 2-Party is \$763.88 per month per retiree. This is an increase of \$63.94 per month per retiree. There are currently eleven management and city council retirees using the program; therefore the annual cost increase is approximately \$8,440 to the General Fund.

REQUESTED ACTION:

Staff recommends that the City Council adopt Resolution No. 2021-1746.

ATTACHMENT:

Resolution No. 2021-1746