



CITY of CALABASAS
CITY COUNCIL AGENDA REPORT

DATE: SEPTEMBER 12, 2024

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: RON AHLERS, CHIEF FINANCIAL OFFICER

SUBJECT: ADOPTION OF RESOLUTION NO. 2024-1923 OF THE CITY COUNCIL OF THE CITY OF CALABASAS, APPROVING A BENEFITS PROGRAM FOR FULL-TIME PERMANENT EMPLOYEES AND RESCINDING RESOLUTION NO. 2023-1864

MEETING DATE: SEPTEMBER 25, 2024

SUMMARY RECOMMENDATION:

Staff recommends City Council adopt Resolution No. 2024-1923 approving a benefits program for full-time permanent employees and rescinding Resolution No. 2023-1864.

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. The CalPERS Board made changes to the monthly medical insurance premiums for calendar year 2024.

DISCUSSION/ANALYSIS:

Staff is recommending the following changes to the Benefits Program resolution.

Section 3 Automobile Allowance: The City is adding the City Clerk and the City Librarian to the list of positions of who receive this benefit. Adding these two positions is consistent with the other members of the management team who receive this benefit.

Section 8 Medical Insurance: The City pays 100% of the premium for medical plans up to the premium for CalPERS PPO Platinum plan. If an employee chooses a plan which costs less than the CalPERS PPO Platinum plan then the employee can receive "cash back" for the difference in the dollar amounts. The monthly "cash back" limit is decreasing for calendar year 2025 to a specific dollar amount: \$250 for employee only, \$450 for employee plus one and \$600 for employee plus multiple dependents. Staff recommends the City reduce the "cash back" dollar amounts over the next few years and instead focus on increasing full-time positions salary for compensation purposes.

The amount of "cash back" is also included for those employees who elect to waive medical insurance coverage. The monthly "cash back" limit is decreasing for calendar year 2025 to a specific dollar amount: \$300 for employee only, \$500 for employee plus one and \$650 for employee plus multiple dependents.

Section 22 Fitness/Recreation Programs: The City now provides complimentary membership to Tennis & Swim Center and Calabasas Community Center for part-time employees.

The City is eliminating the 30% discount for city employees for recreation programs and classes. This has been a difficult program to maintain since the recreation software does not offer this feature. Additionally, it is reduction in revenue for contracted instructors to accept city employees. City staff recommends eliminating this discount.

FISCAL IMPACT/SOURCE OF FUNDING:

The FY 2024-25 budget estimated the amount for medical insurance coverage, including the cash back component. Staff estimated an increase of 10% for FY 2024-25 or about \$150,000 annually.

The monthly increase between 2024 PERS Platinum and 2025 PERS Platinum is 11% or approximately: \$132 increase for employee only, \$265 increase for employee

plus one and \$343 increase for employee plus multiple dependents (monthly dollar amounts).

No additional funding is required for these benefit changes since the City is experiencing salary savings due to full-time vacant positions.

REQUESTED ACTION:

Staff recommends that the City Council adopt Resolution No. 2024-1923.

ATTACHMENT:

A. Resolution No. 2024-1923