

REPORT TO THE CITY COUNCIL

DATE: JANUARY 14, 2009

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: GREG RAMIREZ, CITY MANAGER

BY: NATHAN HAMBURGER, ASSISTANT CITY MANAGER
CELESTE BIRD, ADMINISTRATIVE ANALYST

SUBJECT: APPROVE RESOLUTION NO. 09-1511; AMENDING THE COMPENSATION PLAN BY INCREASING THE EMPLOYER CONTRIBUTION TO PROVIDE FOR THE INCREASED COSTS TO HEALTHCARE PREMIUMS IN 2009.

The City follows a practice of consulting with City employees on matters such as working conditions, classifications, and compensation, including salaries and benefits. Providing reasonable and competitive health benefits serves as a means to attract and retain quality employees. As a result of the 2008-2009 consultation sessions with the City employees, the City agreed to a two-year compensation package which includes an increase to the employer contribution towards healthcare benefits to provide for the increased costs in 2009.

On June 25, 2008, the City Council approved an employer contribution of up to \$973.80 through a Flexible Benefit Plan equal to the actual cost of a medical plan of an employee's choice and the actual cost of the vision plan in addition to the minimum contribution required under Public Employees' Medical and Hospital Care Act (PEMHCA) of \$97.00.

As of January 1, 2009, increases to healthcare premiums and the increase of the minimum contribution mandated under PEMHCA to \$101.00, require the City Council to take a formal action to amend the existing Flexible Benefits Plan. Staff recommends that in addition to the PEMHCA minimum of \$101.00 that the City contribute, through the Flexible Benefit Plan, an additional amount equal to the actual cost of the medical plan available to each full-time employee under the City's benefits program and the actual cost of the vision plan, not to exceed \$1,022.68 per month. These benefits apply to all eligible full-time employees and special district members. This is approximately a 5% increase which was anticipated and budgeted for during the City's annual budget process.

RECOMMENDATION

It is respectfully recommended the City Council approve Resolution No. 09-1511, amending the Compensation Plan by increasing the employer contribution amount to the actual cost of the medical plan of choice and the actual cost of the vision plan, not to exceed \$1,022.68 per month.

Attachment: Resolution No. 09-1511

RESOLUTION 09-1511

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AGOURA HILLS, CALIFORNIA, AMENDING THE COMPENSATION PLAN BY INCREASING THE EMPLOYER CONTRIBUTION TO PROVIDE FOR THE INCREASED COSTS TO HEALTHCARE PREMIUMS IN 2009

THE CITY COUNCIL OF THE CITY OF AGOURA HILLS HEREBY FINDS, RESOLVES AND ORDERS AS FOLLOWS:

SECTION 1. The City will contribute, through the Flexible Benefit Plan, an amount equal to the actual cost of the medical plan of choice, and the actual cost of the vision plan, not to exceed \$1,022.68 per month.

SECTION 2. These benefits will apply to all eligible full-time employees and special district members.

SECTION 3. The effective date of this resolution is January 1, 2009.

PASSED, APPROVED, AND ADOPTED this 14th day of January, 2009 by the following vote to wit:

AYES: (0)
NOES: (0)
ABSENT: (0)
ABSTAIN: (0)

Denis Weber, Mayor

ATTEST:

Kimberly M. Rodrigues, City Clerk