



CITY OF MENDOTA

"Cantaloupe Center Of The World"

ROLANDO CASTRO
Mayor

VICTOR MARTINEZ
Mayor Pro Tempore

JESSE MENDOZA

OSCAR ROSALES

ROBERT SILVA

AGENDA MENDOTA CITY COUNCIL

Special City Council Meeting
CITY COUNCIL CHAMBERS
643 QUINCE STREET
October 29, 2018
3:00 PM

CRISTIAN GONZALEZ
Interim City Manager

JOHN KINSEY
City Attorney

The Mendota City Council welcomes you to its meetings; Regular meetings are scheduled for the 2nd and 4th Tuesday of every month. Your interest and participation are encouraged and appreciated. Notice is hereby given that Council may discuss and/or take action on any or all of the items listed on this agenda. **Please turn your cell phones on vibrate/off while in the council chambers.**

Any public writings distributed by the City of Mendota to at least a majority of the City Council regarding any item on this regular meeting agenda will be made available at the front counter at City Hall located at 643 Quince Street Mendota, CA 93640, during normal business hours 8 AM – 5 PM.

In compliance with the Americans with Disabilities Act, those requiring special assistance to participate at this meeting please contact the City Clerk at (559) 655-3291. Notification of at least forty-eight hours prior to the meeting will enable staff to make reasonable arrangements to ensure accessibility to the meeting.

CALL TO ORDER

ROLL CALL

FLAG SALUTE

FINALIZE THE AGENDA

1. Adjustments to Agenda.
2. Adoption of final Agenda.

CITIZENS ORAL AND WRITTEN PRESENTATIONS

At this time members of the public may address the City Council only on matters listed on the agenda involving matters within the jurisdiction of the City Council. Please complete a "request to speak" form and limit your comments to THREE (3) MINUTES. Please give the completed form to City Clerk prior to the start of the meeting. All speakers shall observe proper decorum. The Mendota Municipal Code prohibits the use of boisterous, slanderous, or profane language. All speakers must step to the podium, state their names and addresses for the record. Please watch the time.

BUSINESS

1. Council discussion and consideration to appoint Cristian Gonzalez as City Manager.

2. Council to discuss options for health insurance coverage for City Council Members.

ADJOURNMENT

CERTIFICATION OF POSTING

I, Matt Flood, City Clerk of the City of Mendota, do hereby declare that the foregoing agenda for the Mendota City Council special meeting of October 29, 2018, was posted on the outside bulletin board located at City Hall, 643 Quince Street on Friday, October 26, 2018 at 5:00 p.m.


Matt Flood, City Clerk

AGENDA ITEM – STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS
FROM: JENNIFER LEKUMBERRY, DIRECTOR OF ADMINISTRATIVE SERVICES
VIA: CRISTIAN GONZALEZ, INTERIM CITY MANAGER
SUBJECT: OPTIONS FOR HEALTH COVERAGE FOR CITY COUNCIL MEMBERS
DATE: OCTOBER 29, 2018

INTRODUCTION

It was brought to the attention of staff that council members are not eligible for coverage under the city's current health insurance plans as per the insurance contracts.

BACKGROUND

The City provides Blue Shield medical, Ameritas dental, and vision coverage, Mutual of Omaha life insurance coverage (collectively, "Health Coverage") to eligible employees. Under the City's contracts, eligible employees are those who work on a full-time basis and "whose normal work week is an average of 30 hours." An eligible employee must also receive monetary compensation (W-2 employee) for his or her work and must meet any applicable City-imposed eligibility waiting period.

Previously, the City has provided Health Coverage to its City Council members (3). A City Council member works less than 30 hours per week on average, however, and therefore is not a full-time employee eligible for Health Coverage.

DISCUSSION:

City staff and the City's insurance broker have explored options that would allow City Council to maintain coverage and provided a comparison with the city's current health plan as illustrated in Exhibit A.

RECOMMENDATION

Staff recommends **Option 1** for both financial and timing reasons. **Option 2** is relatively the closest benefit package to the city's current plan, yet it provides reduced benefits, which would require both unions to agree. This option does not include the Health Reimbursement Plan so out of pocket costs are much higher. Due to CalPER's deadline to enroll being January 1st, the timing is not feasible. **Option 3** also does not include the

Health Reimbursement Plan, and this benefit package reduces benefits further than option 2 and increases out of pocket expenses further than option 2. Due to change in benefits, the unions would have to agree through negotiations. Lastly and similar to option 2 the timing is not feasible with the enrollment deadline being January 1st.

**Based on Council's direction, options 2 and 3 can be reconsidered during 2019 if Council wishes to join either CalPER's plan in January 2020. This will allow time for negotiations and timely enrollment.*

FISCAL IMPACT

Option 1: If Council approves staff's recommendation, there is an estimated saving for the general fund of at least \$70,000 per year.

Option 2: If Council approves option 2, the City would incur an additional cost of \$291,483.84 that was not budgeted for. Additionally, the City would incur any increased costs associated with union negotiations that may be requested to accept the change in health care plans.

Option 3: If Council approves option 3, the City would save \$13,674.24 yearly on premiums, based on current cap levels as agreed upon by the unions; however, this plan would result in higher premium costs to plan members and reduced benefits resulting in higher out of pocket expenses to plan members due to not providing a supplemental HRA Plan. Additionally, the City would incur any increased costs associated with union negotiations that may be requested to accept the change in health care plans.

**City of Mendota
Group Medical Options**

Option 1 Recommended Option

* Renewal with Blue Shield High Deductible and HRA plan Plan Benefits after HRA: \$0 Deductible, 0 Coinsurance and all copayments			
* Remain with current Blue Shield plan and HRA			
Estimated Monthly Costs for		Estimated Monthly Costs for	
Employees, Deps & HRA	\$ 27,606.60	Employees, Deps & HRA	\$ 331,279.20
Claims:		Claims:	
* All benefits remain the same and negotiations for benefits would <u>not</u> need to be re-visited			
* Council members cannot be covered due to the eligible member definition			

Option 2 Likely Unfeasible

* Move to PERSCare with Cal PERS/ No HRA plan Plan Benefits would be reduced: \$500 Deductible, 10% Coinsurance and various different copayments			
* Change to CalPERS			
Estimated Monthly Costs for		Estimated Monthly Costs for	
Employees & Deps:	\$ 51,896.92	Employees & Deps:	\$ 622,763.04
* All benefits are changed and negotiations for benefits would <u>need</u> to be re-visited due to a reduction in benefits and require approval of both unions			
* Allow for coverage of Council members			

Option 3 Likely Unfeasible

* Move to PERS Select with Cal PERS/ No HRA plan Plan Benefits would be reduced: \$1000 Deductible, 20% Coinsurance and various different copayments <i>Note: the benefits can be enhanced by wellness visits</i>			
* Change to CalPERS			
Estimated Monthly Costs for		Estimated Monthly Costs for	
Employees & Deps:	\$ 26,467.08	Employees & Deps:	\$ 317,604.96
* All benefits are changed and negotiations for benefits would <u>need</u> to be re-visited due to a reduction in benefits and require approval of both unions			
* Allow for coverage of Council members			