

City Council Meeting: February 10, 2015**Agenda Item: 3-G**

To: Mayor and City Council
From: Donna C. Peter, Director of Human Resources
Subject: Resolution Authorizing the City Manager to Execute a Memorandum of Understanding Setting the Terms and Conditions of Medical Insurance Coverage with the Administrative Team Associates (ATA), International Brotherhood of Teamsters Local 911 (IBT), Management Team Associates (MTA), Municipal Employees Association (MEA), Public Attorneys Union (PAU), Public Attorneys' Legal Support Staff Union (PALSSU), Supervisory Team Associates (STA), United Transportation Union, Local 1785 (SMART), Executive Pay Plan Participants, and certain unrepresented classifications.

Recommended Action

Staff recommends that the City Council adopt the attached Resolution accepting the tentative agreement and authorizing the City Manager to execute a Memorandum of Understanding (MOU) establishing the terms and conditions of medical insurance coverage with the City's miscellaneous employee (non-safety) bargaining units and the participants of the Executive Pay Plan as represented by the Coalition of Santa Monica City Employees.

Executive Summary

Negotiations for a successor MOU between the City and the Coalition of Santa Monica City Employees has resulted in a tentative agreement. The terms of the tentative agreement are summarized below. The total cost of the negotiated changes is included in the adopted FY 2014-2015 budget and was included in the General Fund FY 2015-16 through FY 2019-20 Five-Year Financial Forecast.

Background

The Coalition of Santa Monica Employees (the "Coalition") represents miscellaneous employee (non-safety) bargaining units and the employees covered by the Executive Pay Plan for terms and conditions of employment relating to medical insurance and retirement benefits under two separate MOU's. The current MOU with the Coalition for medical insurance coverage expired on December 31, 2014. Per the terms and conditions of that MOU, negotiations with the Coalition for a successor MOU have resulted in a tentative agreement on the terms of a new MOU. The Coalition is scheduled to conclude its process to ratify the tentative agreement no later than February 9, 2015. In the event that the Coalition does not ratify the tentative agreement, staff will present an amended resolution and subsequently bring forth a tentative agreement, when reached.

Discussion**Term of the Agreement**

A four-year agreement has been negotiated with the Coalition effective January 1, 2015, through December 31, 2018.

Significant Negotiated Changes

- 1) Effective February 1, 2015, the contribution by active employees covered under the agreement towards the cost of their medical insurance premium, will increase from the current amount of 5% to 5.5%, not to exceed a 15% annual increase per year through the term of this agreement. The amount of employee contribution will increase 0.5% January 1st of each subsequent year of the agreement.
- 2) The City currently contributes a flat dollar amount of \$150.69 per month towards the retiree medical trust on behalf of each active employee. This amount will increase by 2% effective January 1st of each year of the agreement.
- 3) Permanent part-time employees hired after January 1, 2015, will be offered an HMO medical insurance plan for the employee only and will have the option to purchase coverage for eligible dependents and/or coverage under the City's PPO medical insurance plan.

Attached is a resolution for City Council consideration authorizing the City Manager to Execute a Memorandum of Understanding Setting the Terms and Conditions of Medical Insurance Coverage with the Coalition of Santa Monica City Employees.

Financial Impacts & Budget Actions

The total cost of the negotiated changes contained in the new agreement is approximately \$50,000 for Fiscal Year 2014-15. The budget impact of the majority of these changes was included in the General Fund FY 2015-16 through FY 2019-20 Five Year Financial Forecast.

Prepared by: Michael Earl, Human Resources Manager

Approved:

Forwarded to Council:

Donna C. Peter
Director of Human Resources

Elaine Polachek
Interim City Manager

Attachments:

- A. [Resolution](#)