

CITY COUNCIL AGENDA
Tuesday, October 7, 2003 7:30 PM

ADDENDUM
to Regular Meeting

**MEETING LOCATION: PASO ROBLES LIBRARY/CITY HALL
CONFERENCE CENTER, 1000 SPRING STREET**

To add item:

CLOSED SESSION

d. Conference with Real Property Negotiator – Property Acquisition

Government Code Section 54956.8

Property: 4.05 acres between Highway 46 and Niblick Road in riverbed east of US 101 and the Union Pacific Railroad right-of-way and adjacent to the River Park West, an industrial park at the northern terminus of Ramada Drive. Located on property containing +/-260 acres and identified as Parcel Number 009-631-003 & 004, and 009-811-001, 002, 003m, & 004, and 009-301-004.

Parties: Owner/Negotiator Union Asphalt
City Negotiator: James L. App, City Manager

Under negotiation: Price and terms of payment

To add item:

CONSENT

- 16.1** Adopt Resolution No. 03-xx authorizing the City Manager to (1) execute a contract with Blue Cross for medical coverage for one additional year; (2) execute a contract with Principal for dental coverage for two years; and (3) execute Side Letters of Agreement with Police Officers Association (P.O.A.), Service Employees International Union (S.E.I.U.) Paso Robles Professional Firefighters (I.A.F.F. Local 4148) and the Unrepresented Confidential, Professional and Management bargaining groups to modify employer and employee participation in monthly premium costs, effective October 1, 2003, for medical and effective November 1, 2003, for dental. (All employee bargaining groups have reached tentative agreements that will establish how future premium increases will be distributed between employees the City.)
M. Williamson, Assistant to the City Manager

*** End of Addendum ***

TO: James L. App, City Manager
FROM: Meg Williamson, Assistant to the City Manager
SUBJECT: Employee Group Health and Dental Insurance
DATE: October 7, 2003

NEEDS: For City Council to consider extension of Health and Dental contracts, along with modification to benefit agreements with workers represented by the Police Officers Association (P.O.A.), Service Employees International Union (S.E.I.U.), Paso Robles Professional Firefighters (I.A.F.F. Local 4148) and the Unrepresented Confidential, Professional and Management bargaining groups, relative to sharing increased premium costs.

FACTS:

1. The City is obligated under State law to meet and confer with its employee groups to discuss changes in health and dental benefits.
2. The City's one-year Health Insurance contract with Blue Cross expired on September 30, 2003. A temporary extension was secured to accommodate the meet and confer process with employee bargaining groups.
3. The City's one-year Dental contract with Guardian will expire on October 31, 2003.
4. Over the course of the past year, multiple health plan options have been researched to determine if there would be merit to switching health care structures and/or providers.
5. The final renewal rates for the Blue Cross Health Plan are 8% higher than current premiums (prior to September 23, 2003 they were quoted as a 12% increase).
6. The renewal rates quoted by Guardian on the Dental Plan are approximately 45% higher than the current contract. An alternative and comparable Dental Plan with Principal has been quoted with a two-year rate guarantee at under 23% increase.
7. The City's Health Committee met in August 2003 and recommended that City Council renew its current Health Plan (PPO One) with Blue Cross and to switch its Dental Plan from Guardian to Principal.

8. These are the tentative agreements for employee participation in monthly Blue Cross medical premium costs:

P.O.A.- Police

Employee Only	\$0
Couple coverage	\$51.63
Family coverage	\$86.00

I.A.F.F. - Firefighters Association

Employee Only	\$0
Couple coverage	\$51.63
Family coverage	\$86.00

Unrepresented Confidential, Professional and Management

Employee Only	\$0
Couple coverage	\$51.63
Family coverage	\$86.00

S.E.I.U. – Service Employees

Employee Only	\$0
Couple coverage	\$20.00
Family coverage	\$38.00

10. All bargaining groups have reached a tentative agreement to pay the following amounts for employee participation in monthly Dental plan premium costs:

Employee only	\$0
Family coverage	\$4.25

11. The existing employment contracts with the Fire and Police contain language on how increases in health insurance premiums are distributed between the employee and the City. The contracts establish that the City shall cover 75% of increases and the employee share is 25%. While not part of their existing employee contracts, the Unrepresented Confidential, Professional and Management Group, and S.E.I.U. have tentatively agreed to modify their contracts to incorporate that same language.

ANALYSIS &

CONCLUSION: The health and dental contracts proposed for Council action contain the same coverage benefits as the previous year. However, the increased premium costs imposed by the carriers has caused both employer and employee costs to rise.

All employee bargaining groups have reached tentative agreements that will establish how future health and dental benefit premium increases will be distributed between employees and the city.

POLICY

REFERENCE: California Government Code, Municipal Code Sec. 2.40.030(c), Resolution 02-140 (S.E.I.U.), Resolution 02-157 (P.O.A.), Resolution 02-175 Unrepresented Confidential, Professional and Management, and Resolution 03-03 I.A.F.F. Professional Firefighters, and Health Insurance Side Letters for each group dated September 26, 2002.

FISCAL

IMPACT: Costs of the health and dental contract increases are within established budget parameters.

OPTIONS:

- a. Adopt Resolution No. 03-XX authorizing the City Manager to:
 1. Execute a contract with Blue Cross for medical coverage for one additional year;
 2. Execute a contract with Principal for dental coverage for two years;
 3. Execute Side Letters of Agreement with Police Officers Association (P.O.A.), Service Employees International Union (S.E.I.U.), Paso Robles Professional Firefighters (I.A.F.F. Local 4148) and the Unrepresented Confidential, Professional and Management bargaining groups to modify employer and employee participation in monthly premium costs, effective October 1, 2003, for medical and effective November 1, 2003, for dental.
- b. Amend, modify or reject above options.

Attachments:

1. Resolution approving extended contract with Blue Cross, new contract with Principal, and amendment to Compensation and Benefit Plan for all employee groups.

RESOLUTION NO. 03-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
AUTHORIZING RENEWAL OF EMPLOYEE GROUP HEALTH INSURANCE
PLAN CONTRACT, NEW DENTAL PLAN CONTRACT, AND MODIFICATION
TO EMPLOYEE GROUP WAGE AND BENEFIT AGREEMENTS RELATING TO
INSURANCE RATE PREMIUM SHARING

WHEREAS, the City's contract for health insurance is with Blue Cross and that contract expired on September 30, 2003; and

WHEREAS, a temporary extension to that contract was secured in order to accommodate the meet and confer process with employee bargaining groups; and

WHEREAS, Blue Cross has proposed a one year contract for the continuation of the PPO One (90/70) plan that will result in an 8% cost increase effective October 1, 2003; and

WHEREAS, the City's contract for dental insurance is with Guardian and that contract will expire on October 31, 2003; and

WHEREAS, Guardian proposed rates increases of approximately 43% to continue the same coverage; and

WHEREAS, the City received quotes from an alternative carrier (Principal) for a comparable Dental plan with a rate increase of 23% for a two year contract lock; and

WHEREAS, the City used Principal as its Dental carrier prior to Guardian and has experience with that carrier that is acceptable; and

WHEREAS, the City's Health Insurance Committee has reviewed the proposals and recommends renewal of the Blue Cross PPO One contract and a switch from Guardian to the Principal for a new two-year contract; and

WHEREAS, all employee bargaining groups have endorsed the Health Committee's recommendations; and

WHEREAS, the Government Code of the State of California prescribes a procedure for discussing and resolving matters regarding wages, hours and other terms and conditions of employment; and

WHEREAS, the Paso Robles Municipal Code Section 2.40.030(c) provides that appointive officers and employees shall receive such compensation as may be fixed by resolution of the City Council; and

WHEREAS, Resolution 02-157 did establish and set forth salaries and benefits for Police Officers Association (P.O.A.) represented workers; and

WHEREAS, Resolution 03-03 did establish and set forth salaries and benefits for the Professional Firefighter (I.A.F.F. Local 4148); and

WHEREAS, Resolution 02-140 did establish and set forth salaries and benefits for the Service Employee International Union (Local 62); and

WHEREAS, Resolution 02-175 did establish and set forth salaries and benefits for Unrepresented Confidential, Professional and Management employees; and

WHEREAS, on September 26, 2002 each of the above named employee bargaining groups signed side letter agreements addressing the change in the City's health carrier (from Lifeguard to Blue Cross) and modification to employer/employee premium sharing; and

WHEREAS, the workers and City representatives did meet and confer and reach tentative agreement with each bargaining group concerning amendments to the compensation and benefit plan relating to modified insurance premium sharing.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of El Paso de Robles that the City Manager shall execute a contract with Blue Cross for Health Insurance for the year commencing on October 1, 2003; and

BE IT RESOLVED, by the City Council of the City of El Paso de Robles that the City Manager shall execute a contract with Principal for Dental Insurance for two years commencing on November 1, 2003; and

BE IT RESOLVED, by the City Council of the City of El Paso de Robles that the City Manager is authorized to execute side letters of agreement with the Police Officers Association (P.O.A.), Service Employees International Union (S.E.I.U. Local 620), Paso Robles Professional Firefighters (I.A.F.F. Local 4148) and the Unrepresented Confidential, Professional and Management bargaining groups to modify employer and employee participation in monthly premium costs, effective October 1, 2003 for medical and effective November 1, 2003 for dental as shown in attached Exhibit A.

PASSED AND ADOPTED by the City of El Paso de Robles this 7th day of October 2003 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk

Exhibit A
Share of Monthly Medical and Dental Premiums By Employee Group

October 7, 2003

P.O.A. - Police

For Blue Cross PPO One Plan:

Employee Only	\$0
Couple coverage	\$51.63
Family coverage	\$86.00

For Principal Dental Plan:

Employee only	\$0
Family coverage	\$4.25

I.A.F.F. Local 4148 - Firefighters Association

For Blue Cross PPO One Plan:

Employee Only	\$0
Couple coverage	\$51.63
Family coverage	\$86.00

For Principal Dental Plan:

Employee only	\$0
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Unrepresented Confidential, Professional and Management

For Blue Cross PPO One Plan:

Employee Only	\$0
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S.E.I.U. Local 620 - Service Employees

For Blue Cross PPO One Plan:

Employee Only	\$0
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