

OFFICE OF THE CITY CLERK
OAKLAND

CITY OF OAKLAND



2005 SEP -7 PM 3:58
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Office of the City Attorney
John A. Russo
City Attorney

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September 20, 2005
TTY/TDD: (510) 238-3254

HONORABLE CITY COUNCIL
Oakland, California

Subject: International Association of Firefighters, Local 55 v. City of Oakland, et al., Alameda County Superior Court Case No. RG04156075, Oakland City Attorney's File No. X02282—Reimbursement to Retirees for Health Care Premiums Overpayments (Oakland Fire Department)

President De La Fuente and Members of the City Council:

The City Council, on July 19, 2005, passed Resolution No. 79336, which was one part of the settlement resolving the lawsuit filed by retirees of Local 55, concerning the employer contributions to health care premiums. That Resolution amended the 1989 Resolution and included new language stating that the second highest premium was the appropriate premium for PERS to use when calculating the respective shares of the health care premium.

That July 19th Resolution was immediately sent to PERS for entry into their system. However, unbeknownst to the City, the PERS format had been changed. Therefore, PERS rejected our resolution. To remedy this, the Council must rescind Resolution No. 79336 and the old 1989 Resolution No. 66402, and pass this new resolution.

There are no substantive changes in the new resolution. The dollar amounts reflect the current 2005 premium information. The changes are simply to conform to the new format required by PERS. Attached is a redline copy of the edits to Resolution 79336 and a clean copy of the new Resolution to be passed by the City Council on September 20, 2005.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John A. Russo".

JOHN A. RUSSO
City Attorney

Assigned Attorney:
Susan Mosk

DRAFT OAKLAND CITY COUNCIL

OFFICE OF THE CLERK
CITY OF OAKLAND
2005 SEP -7 PM 3:56

RESOLUTION NO. _____ C.M.S.

RESOLUTION FIXING THE CITY'S CONTRIBUTION UNDER THE PUBLIC EMPLOYER'S MEDICAL AND HOSPITAL CARE ACT, ONLY WITH RESPECT TO SWORN FIRE UNIT EMPLOYEES WHO BELONG TO THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM, AND FIXING THE CITY'S CONTRIBUTION FOR EMPLOYEES AND ANNUITANTS AT DIFFERENT AMOUNTS; AND RESCINDING RESOLUTION NO. 79336 AND RESOLUTION NO. 66402 OF THE SAME TITLE.

WHEREAS, Government Code Section 22892(a) provides that a local agency contracting under the Public Employees' Medical and Hospital Care Act shall fix the amount of the employer's contribution at an amount not less than the amount required under Section 22892(b) of the Act; and

WHEREAS, Government Code Section 22892(c) provides that a contracting agency may fix the amount of the employer's contribution for employees and the employer's contribution for annuitants at different amounts provided that the monthly contribution for annuitants shall be annually increased by an amount not less than 5 percent of the monthly contribution for employees, until such time as the amounts are equal; and

WHEREAS, the City of Oakland hereinafter referred to as Public Agency is a local agency contracting under the Act for participation by members of the sworn fire unit employees who belong to the Public Employees' Retirement System; now, therefore be it

RESOLVED, that the employer's contribution for each employee shall be the amount necessary to pay the full cost of his/her enrollment in the **second highest premium plan**, including the enrollment of his/her family members in a health benefits plan, plus administrative fees and Contingency Reserve Fund assessments; and be it further

RESOLVED, that the employer's contribution for each annuitant shall be the amount necessary to pay the full cost of his/her enrollment in the **second highest premium plan**, including the enrollment of his/her family members in a health benefits plan up to a maximum of \$177.57 with respect to employee enrolled for self alone, \$343.93 for an employee enrolled for self and one family member, and \$445.87 for an

employee enrolled for self and two or more family members, plus administrative fees and Contingency Reserve Fund assessments; and be it further

RESOLVED, that the City Council, as the executive body, appoints and directs, and does hereby appoint and direct the City Administrator to file with the Board of Administration of the Public Employees' Retirement System a certified copy of this Resolution and to notify the Public Employee's Retirement System, no later than December 1st of every year, of the correct amount of the second highest premium, and to perform on behalf of said Public Agency all functions required of it under the Act and Regulations of the Board of Administration.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, REID, QUAN,
 AND PRESIDENT DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

Attest: _____
 LATONDA SIMMONS
 City Clerk and Clerk of the Council of
 the City of Oakland, California

OAKLAND CITY COUNCIL

OFFICE OF THE CITY CLERK
OAKLAND
2005 SEP -7 PM 3:56

RESOLUTION NO. _____ C.M.S.

RESOLUTION FIXING THE CITY'S CONTRIBUTION UNDER THE PUBLIC EMPLOYER'S MEDICAL AND HOSPITAL CARE ACT, ONLY WITH RESPECT TO SWORN FIRE UNIT EMPLOYEES WHO BELONG TO THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM, AND FIXING THE CITY'S CONTRIBUTION FOR EMPLOYEES AND ANNUITANTS AT DIFFERENT AMOUNTS; AND RESCINDING RESOLUTION NO. 79336 AND RESOLUTION NO. 66402 OF THE SAME TITLE, ~~WHICH AMENDED RESOLUTION NO. 66402.~~

~~WHEREAS, Government Code Section 22892(a) 50.3 provides that a local contracting agency contracting under the Public Employees' Medical and Hospital Care Act shall fix the amount of the employer's contribution at an amount not less than the amount required under Section 22892(b) of the Act; and may elect upon proper application to participate under the Public Employees' Medical and Hospital Care Act (hereinafter "The Act") with respect to a recognized employee organization only; and~~

~~WHEREAS, Government Code Section 22892(c) 57 provides that a contracting agency may fix the amount of the employer's contribution for employees and the employer's contribution for annuitants at different amounts provided that the monthly contribution for annuitants shall be annually increased by an amount not less than 5 percent of the monthly contribution for employees, until such time as the amounts are equal; and~~

~~WHEREAS, the City of Oakland (hereinafter referred to as "Public Agency") is a local agency contracting under the Act for participation by members of the sworn fire unit employees who belong to the with the Public Employees' Retirement System; now, therefore be it and~~

~~WHEREAS, The Public Agency desires to obtain for the sworn Fire Unit employees belonging to the Public Employees' Retirement System who are employees and annuitants of the agency, the benefit of the Act and to accept the liabilities and obligations of an employer under the Act and Regulations; now therefore be it~~

~~RESOLVED, that the employer's contribution for each employee shall be the amount necessary to pay the full cost of his/her enrollment in the **second highest premium plan**, including the enrollment of his/her family members in a health benefits~~

~~plan, plus administrative fees and Contingency Reserve Fund assessments; and be it further~~

~~That the Public Agency elects, and it does hereby elect, to be subject to the provisions of the Act; and be it further~~

~~**RESOLVED,** that the employer's contribution for each annuitant shall be the amount necessary to pay the full cost of his/her enrollment in the **second highest premium plan**, including the enrollment of his/her family members in a health benefits plan up to a maximum of \$177.57 with respect to employee enrolled for self alone, \$343.93 for an employee enrolled for self and one family member, and \$445.87 for an employee enrolled for self and two or more family members, plus administrative fees and Contingency Reserve Fund assessments; and be it further~~

~~That the premium for the sworn Fire Unit employees shall be the second highest premium, as selected by the City of Oakland; and be it further~~

~~**RESOLVED,** That the employer's contribution for each employee shall be the amount necessary to pay the full cost of his enrollment, including the enrollment of his family members in a health benefits plan up to the following maximums:~~

~~Employee only: _____ \$195.68/month;~~

~~Employee plus one: _____ \$390.56/month;~~

~~Employee plus two or more: _____ \$475.40/month;~~

~~and be it further~~

~~**RESOLVED,** That the employer's contribution for each annuitant shall be the amount necessary to pay the cost of his/her enrollment, including the enrollment of his/her family members, if any, in a health benefits plan up to a maximum of one dollar (\$1.00) per month; and be it further~~

~~**RESOLVED,** That the employer's contribution for each annuitant shall be increased annually by 5 percent of the monthly contribution for employees, until such time as the contributions are equal; and that the contributions for employees and annuitants shall be in addition to those amounts contributed by the Public Agency for administrative fees and to the Contingency Reserve Fund; and be it further~~

~~**RESOLVED,** that the City Council, as the executive body, appoints and directs, and does hereby appoint and direct the City Administrator ~~Manager~~ to file with the Board of Administration of the Public Employees' Retirement System a certified verified copy of this Resolution and to notify the Public Employee's Retirement System, no later than December 1st of every year, of the correct amount of the second highest premium, and to perform on behalf of said Public Agency all functions required of it under the Act and Regulations of the Board of Administration; and be it further~~

| ~~RESOLVED, That coverage under the Act be effective on August 1, 1989.~~

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, REID, QUAN,
 AND PRESIDENT DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

Attest: _____
 LATONDA SIMMONS
 City Clerk and Clerk of the Council of
 the City of Oakland, California