



**City of Grass Valley
City Council
Agenda Action Sheet**

Title: Resolutions Electing New Employee Organizations to Participate in the Public Employees' Medical and Hospital Care Act - Fire Management (Group 009) and Executive (Group 010).

CEQA: Not a Project.

Recommendation: Adopt Resolution No. 2026-49 and Resolution No. 2026-50 electing the City of Grass Valley to participate in the Public Employees' Medical and Hospital Care Act (PEMHCA) with respect to the newly established Fire Management (Group 009) and Executive (Group 010) employee organizations, effective November 1, 2026.

Prepared By: Jennifer Styczynski, Finance Director

Council Meeting Date: 09/22/2026

Date Prepared: 09/16/2026

Agenda: Consent

Background: The City of Grass Valley participates in the Public Employees' Medical and Hospital Care Act (PEMHCA), administered by the California Public Employees' Retirement System (CalPERS), for eligible employees and annuitants.

As part of the City's ongoing review of its PEMHCA medical group structure, the City is restructuring its existing medical groups to more closely align with its current labor and organizational structure. This restructuring includes establishing separate PEMHCA medical groups for Fire Management (Group 009) and Executive (Group 010).

The proposed resolutions do not add new employees or annuitants to the City's health benefit program. Rather, the resolutions establish the appropriate PEMHCA medical group structure for employees and annuitants who are already part of the City's existing employee benefit structure.

Government Code Section 22920 permits an eligible contracting agency to obtain health benefit plans through PEMHCA by submitting a resolution to the CalPERS Board of Administration. Government Code Section 22892 requires the employer contribution to be established by resolution and provides that the contribution for employees and annuitants must be an equal amount and may not be less than the statutory PEMHCA minimum.

Discussion: The proposed resolutions will establish PEMHCA participation for the City's newly designated Fire Management (Group 009) and Executive (Group 010) medical groups.

The creation of these two groups is part of a restructuring of the City's existing PEMHCA medical group structure to align the medical groups with the City's current labor and organizational structure. No additional employees or annuitants are being added to PEMHCA as a result of these resolutions.

CalPERS has assigned both Group 009 and Group 010 the PEMHCA Minimum employer contribution, consistent with the contribution structure applicable to the City's other PEMHCA medical groups.

Under the proposed resolutions, the City's employer contribution for each eligible employee and annuitant will be the amount necessary to pay the full cost of enrollment, including family members, in a health benefits plan up to the PEMHCA Minimum per month, plus applicable administrative fees and Contingency Reserve Fund assessments.

The employer contribution will be an equal amount for employees and annuitants, consistent with Government Code Section 22892.

The proposed effective date for both groups is November 1, 2026. Following Council adoption, staff will submit the signed resolutions and required documentation to CalPERS to establish the two medical groups.

This restructuring is intended to provide a medical group structure that more accurately reflects the City's current labor organization and does not represent an expansion of the City's existing health benefit program.

Council Goals/Objectives: The action supports the City's Strategic Plan goal of maintaining a High-Performance Government and Quality Service by ensuring employee benefit programs are appropriately structured, efficiently administered, and aligned with the City's organizational and fiscal objectives.

Fiscal Impact: No material fiscal impact is anticipated as a result of these resolutions. The proposed action does not add employees or annuitants to the City's health benefit program. Rather, it restructures the existing PEMHCA medical group designations to align with the City's current labor and organizational structure.

The employer contribution for the new groups will be established at the PEMHCA Minimum, consistent with the contribution structure applicable to the City's other PEMHCA medical groups. Applicable CalPERS administrative fees and Contingency Reserve Fund assessments will continue to apply. CalPERS currently identifies the 2026 PEMHCA Minimum employer contribution as \$162 per month, with the amount increasing to \$167 per month effective January 1, 2027.

Because the proposed restructuring does not increase the number of employees or annuitants covered by the City's health benefit program, no additional ongoing appropriations are anticipated as a result of establishing Groups 009 and 010.

Funds Available: N/A

Account #: N/A

Reviewed by: Interim City Manager

Attachments:

- 1) Resolution No. 2026-49 - Electing to Be Subject to the Public Employees' Medical and Hospital Care Act at an Equal Amount for Employees and Annuitants with Respect to a Recognized Employee Organization (009 Fire Management)
- 2) Resolution No. 2026-50 - Electing to Be Subject to the Public Employees' Medical and Hospital Care Act at an Equal Amount for Employees and Annuitants with Respect to a Recognized Employee Organization (010 Executive)