



STAFF REPORT

MEETING DATE: March 26, 2025

PRESENTER: John Jansons, City Manager

SUBJECT: Discussion of City-paid Health Insurance for City Council Members (JAJ)

RECOMMENDATION: Council hear a presentation from staff regarding City health insurance for City Councilmembers, with possible direction to staff.

DISCUSSION:

At a prior meeting, Mayor Pro Tem Yep requested information from staff regarding the City providing city-paid health insurance to City Councilmembers.

Attachment 'A' to this report is a Memorandum from the City Attorney outlining the rules and regulations found in the California Government Code regarding this subject. In summary, the legal memorandum provides that providing health insurance to City Councilmembers is permissible. However, the benefits provided may not be pursuant to an enriched plan. The benefits to Councilmembers "shall be no greater than that received by non-safety employees of the public agency." Thus, the benefits may not be greater than those provided to members of the Kerman Miscellaneous Employees Association (KMEA).

Currently, the City provides health insurance to all employees at same levels. The City does not provide health insurance to nine permanent part time employees.

Attachment 'B' provides age-rated monthly cost estimates if Councilmembers were included in the City's health plan as on July 1, 2024. It is anticipated that these rates would increase when July 1, 2025 rates are released and implemented.

FISCAL IMPACT:

Under the current year scenario, the cost to include City Councilmembers in the City's health plan would be approximately \$4,558.20 per month (\$54,698.40 annually) with an anticipated, but unknown, increase effective July 1, 2025.

ATTACHMENTS:

- A. City Attorney Memorandum dated March 19, 2025
- B. Cost Sheets (as of July 1, 2024)