

2



CITY OF SACRAMENTO

DEPARTMENT OF PERSONNEL

DONNA L. GILES
Director of Personnel

ADMINISTRATION
EMPLOYEE SERVICES DIVISION
PERSONNEL MANAGEMENT SERVICES
WORKERS' COMPENSATION DIVISION

June 17, 1986

Budget and Finance Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: Request to Increase City Contributions for Retiree/Beneficiary
Medical Insurance

SUMMARY.

The City of Sacramento currently provides retiree/beneficiary health insurance contributions equal to the monthly cost of Travelers Insurance Company Plan II. The monthly rates for this plan are being increased, effective July 1, 1986. The attached report and resolution implements an increase to retiree/beneficiary health insurance contributions equivalent to the Travelers' rate increase.

BACKGROUND.

During the FY 1986-87 Budget hearings, held on May 20, 1986, the Budget and Finance Committee gave tentative approval to the Retiree/Transferred Employee non-departmental budget. The proposed budget assumed a 7 1/2% increase for medical plan costs. Subsequent to this budget hearing, staff has received 1986-87 premium rates from the Travelers Insurance Company which include a 17% increase for medical plans.

Although firm budget data cannot be provided until August, 1986, at which time actual retiree/beneficiary enrollments can be determined, it is estimated that the proposed budget increase will be between \$65,000 and \$70,000.

When actual enrollment data can be obtained, staff will submit an amended budget request for Retired and Transferred Employees to the Budget and Finance Committee and City Council for consideration and approval.

RECOMMENDATION.

It is recommended that the Budget and Finance Committee recommend City Council approval of the attached report and resolution which:

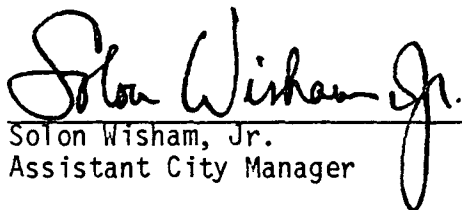
1. Authorizes an increase in the monthly City contribution for retirees/beneficiaries medical plan from \$55.30 to \$64.70, effective July 1, 1986.

Respectfully submitted,



Donna L. Giles
Director of Personnel

RECOMMENDATION APPROVED:



Solon Wisham, Jr.
Assistant City Manager

RESOLUTION NO.

Adopted by The Sacramento City Council on date of

A RESOLUTION APPROVING THE REPORT AND RECOMMENDATION
OF THE DIRECTOR OF PERSONNEL AND ESTABLISHING THE CITY
MONTHLY CONTRIBUTION FOR RETIREE AND BENEFICIARY HEALTH
INSURANCE COVERAGE

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO AS FOLLOWS:

That the June 17, 1986 report and recommendation of the
Director of Personnel regarding retiree and beneficiary insurance
coverage is approved.

Further resolved that the City contribution rate for health plan
benefits for retirees and beneficiaries be increased from \$55.30
to \$64.70, effective July 1, 1986.

MAYOR

ATTEST:

CITY CLERK