



# City Council Memorandum

City of Arts & Innovation

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**TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: SEPTEMBER 17, 2024**

**FROM: HUMAN RESOURCES DEPARTMENT      WARDS: ALL**

**SUBJECT: REVISIONS TO THE MASTER FRINGE BENEFITS AND SALARY PLAN, SECTION 16 – HEALTH INSURANCE, TO UPDATE THE CITY CONTRIBUTION PROVISIONS AND INCREASE THE CITY CONTRIBUTION TOWARDS HEALTH INSURANCE FOR THE UNREPRESENTED EMPLOYEE GROUPS.**

**ISSUES:**

Approve a revision to the Citywide Fringe Benefits and Salary Plan, Section 16, Health Insurance, to update the City contribution provisions and increase the City contribution towards health insurance for the Unrepresented Employee groups.

**RECOMMENDATIONS:**

That the City Council:

1. Approve the revisions to the health insurance provisions and increase to the city contribution towards health insurance for the Unrepresented employee groups as outlined in the Master Fringe Benefits and Salary Plan;
2. Adopt the attached Resolution amending the Master Fringe Benefits and Salary Plan, Section 16, Health Insurance, to update the City contribution provisions and consequently increase the City contribution towards health insurance for the Unrepresented Employee groups.

**BACKGROUND:**

On September 20, 2022, the City Council approved a 3-year compensation and benefits package for the Unrepresented Employees, along with the approval of successor Memoranda of Understanding for the Service Employees' International Union (SEIU) and the Riverside Police Administrators' Association (RPAA). As part of the Unrepresented benefits package, a recommendation was made and approved to increase the City contribution amounts towards health insurance to the amounts listed in the table below. The increase to the City contribution for the Unrepresented group also resulted in an unintended change that removed the provision previously outlined in Section 16 of the Fringe Benefits and Salary Plan, whereby, any increase in

cost of health insurance premiums would be divided equally between the City and the employees. The equal distribution of premium increases between the City and the employees is a provision that continues to be in place for all other bargaining groups and it is recommended that this provision be corrected and reinstated for the Unrepresented group.

Coverage Level	HMO Plan City Contribution	PPO Plan City Contribution
Employee Only Coverage	\$914	\$969
Employee + One	\$1,178	\$1,287
Employee + Family	\$1,516	\$1,640

**DISCUSSION:**

In an effort to ensure the City’s benefits package for the Unrepresented groups, comprised of employees in the Executive, Elected Officials, Senior Management, Management, Professional, Para-Professional and Confidential groups, continues to be competitive and attractive for retention, hiring and promotional purposes, it is recommended that the provision allowing for the health insurance premium increases to be equally divided between the City and the employees be reinstated. Furthermore, since employees in the Unrepresented groups, did not receive the benefit of equally dividing the increased health premiums tied to this cost sharing provision for 2024 and are not currently scheduled to receive it for 2025 premiums, it is recommended that these city contribution increases for both 2024 and 2025 be added effective with the first paycheck in December 2024 and is not retroactive.

The recommended revisions to Section 16 of the Fringe Benefits and Salary Plan to reinstate the equally distributed health insurance premium increases between the City and the employees for 2024 and 2025 will result in different City contribution amounts for each Kaiser and Blue Shield plan, as premium increases are calculated for each plan based on that plan’s premium amount. The updated City contribution amounts per medical plan will be as follows:

Coverage Level	Kaiser 15	Kaiser 30	Blue Shield PPO	Blue Shield 15	Blue Shield 20	Blue Shield 20 Trio
Employee Only Coverage	\$995	\$988	\$1,013	\$923	\$922	\$921
Employee + One	\$1,341	\$1,327	\$1,374	\$1,197	\$1,194	\$1,192
Employee + Family	\$1,734	\$1,715	\$1,751	\$1,542	\$1,538	\$1,535

**STRATEGIC PLAN ALIGNMENT:**

Adopting the Resolution to amend the Master Fringe Benefits and Salary Plan to adopt the salary range adjustments contributes to the City of Riverside’s Strategic Priority of a High Performing Government, Goal 5.1: *Attract, develop, engage and retain a diverse and highly skilled workforce across the entire City organization.*

1. **Community Trust** – Fairly negotiated salary and benefits provide the City the ability to retain and attract skilled employees that can provide high quality of public service and increase community trust and engagement.
2. **Equity** – It is important to ensure that employees receive fair wages, competitive benefits and good working conditions resulting in a workforce that, in turn, also serves the community in a fair and equitable way.

3. **Fiscal Responsibility** – To ensure responsible management of the City’s financial resources all fiscal impacts were carefully assessed by the City’s Finance and City Manager’s Departments.
4. **Innovation** – Creative and innovative solutions result in updated and equitable provisions, which have a positive impact on employee productivity and morale.
5. **Sustainability & Resiliency** – The City of Riverside is committed to meeting the needs of its changing workforce while also implementing contracts that are sustainable to the City.

**FISCAL IMPACT:**

The FY 2024/25 net impact of this action is \$113,235. At this time, no supplemental appropriation is being requested. However, staff will monitor the budget and return to Council if a need arises.

	<b>Calendar Year 2024</b> Cost/(Savings)	<b>Calendar Year 2025</b> Cost/(Savings)	<b>Net Fiscal Year 2024/25</b> Cost/(Savings)
Cost of Implementing 50/50 Share of Premium Increases January 2025	\$ -	\$ 728,538	\$ 364,269
Savings of Not Implementing 50/50 Share of Premium Increases January 2024	(502,068)	-	(251,034)
Total Cost Impact	\$ (502,068)	\$ 728,538	\$ 113,235

Prepared by: Rene Goldman, Human Resources Director  
 Certified as to  
 Availability of funds: Kristie Thomas, Finance Director/Assistant CFO  
 Approved by: Edward Enriquez, Assistant City Manager/Chief Financial Officer/  
 Treasurer  
 Approved as to form: Phaedra Norton, City Attorney

Attachments:

1. Resolution Amending the Fringe Benefits and Salary Plan