

Resolution No.

STOCKTON CITY COUNCIL

RESOLUTION AUTHORIZING BUDGET AMENDMENT TO ADDRESS THE IMPACT OF HEALTH CARE PREMIUM INCREASES

Employer contributions are included in the various city bargaining units' Memoranda of Understanding and Stockton Police Officers Association MOU and side letter; and

The City moved to a calendar year renewal effective January 2024 and pre-negotiated premium increases that go into effect July of each fiscal year; and

The 2025 Annual Health Benefits Report prepared by Alliant Insurance Services, the City's insurance broker, provided a comprehensive review of the renewal for health benefit plans that are being offered to City employees, and calculated the premium rates for the upcoming plan year; and

Premiums are trending upward nationally. The increase in costs is attributable to a combination of various factors impacting the market including inflation for goods and services, labor shortages, increased labor cost, increased demand for care, market trends and increased utilization; and

City Council directed city staff to bring back to City Council options to help bridge the gap between premium increases and employer contributions; and

The City has identified \$2,000,000 available from General Fund reserve balance to address the impact of the health care premium increases on the City's employees; and

It is recommended that this commitment be funded out of the year-end balance before reserves or special projects are considered; and

This funding will be allocated to Human Resources for authority to work with the appropriate unions to help address the premium increases; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. The City Manager is authorized to transfer \$2,000,000 from the General Fund Reserve balance to the Health ISF Fund and appropriate the amount in the Health ISF Fund to address the health insurance premium increases.

2. Authorize the City Manager to take appropriate and necessary actions to carry out the purpose and intent of this Resolution.

PASSED, APPROVED, and ADOPTED November 19, 2024.

KEVIN J. LINCOLN II
Mayor of the City of Stockton

ATTEST:

KATHERINE ROLAND, CMC, CPMC
City Clerk of the City of Stockton