

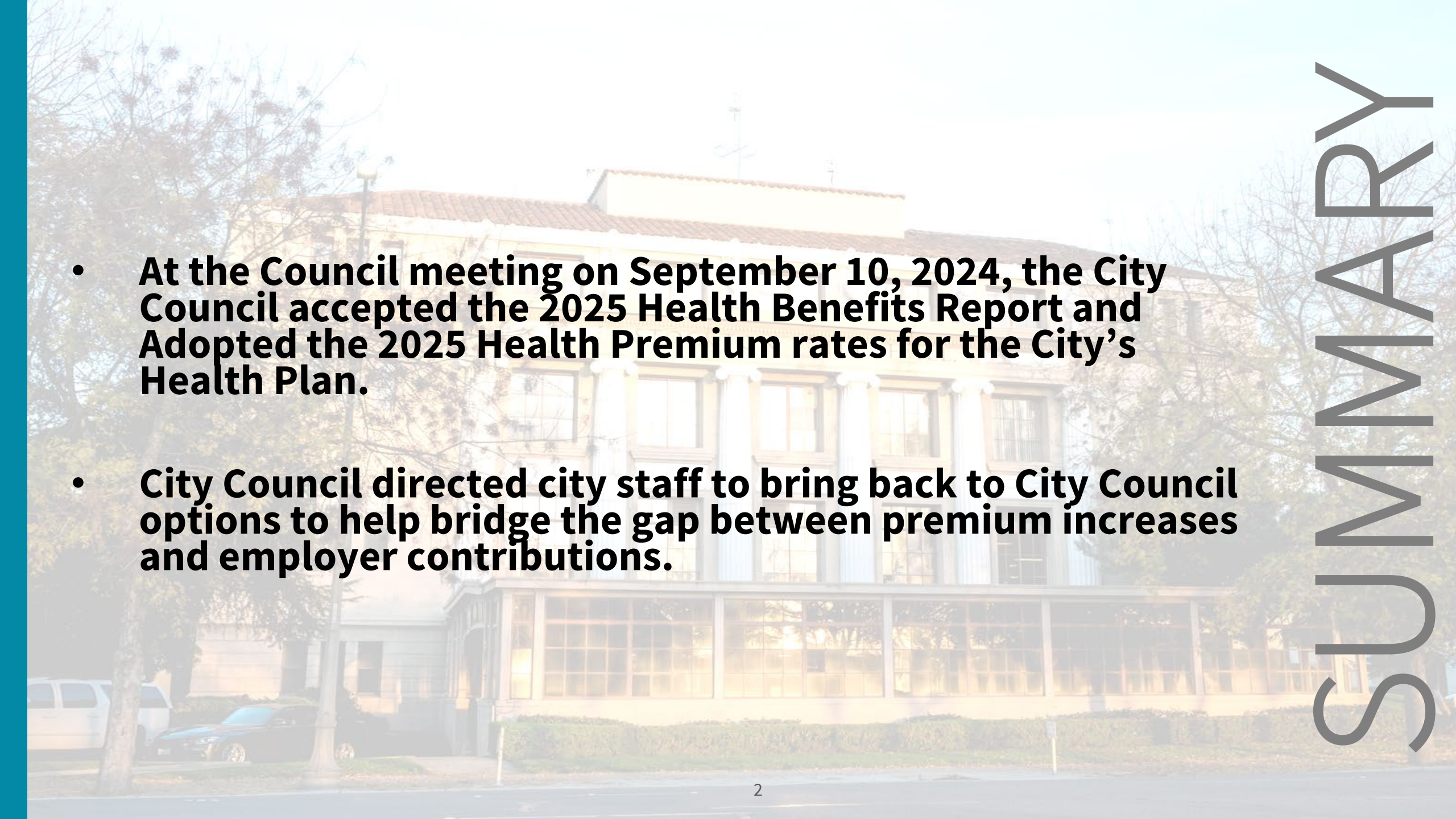


# **Authorize Budget Amendment to Address the Impact of Health Care Premium Increases**

November 19, 2024

Agenda Item 15.3



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- **At the Council meeting on September 10, 2024, the City Council accepted the 2025 Health Benefits Report and Adopted the 2025 Health Premium rates for the City's Health Plan.**
  - **City Council directed city staff to bring back to City Council options to help bridge the gap between premium increases and employer contributions.**

# SUMMARY



- **Employer contributions are dependent upon the provisions of the Memoranda of Understanding (MOUs) with the various bargaining units and the Unrepresented Management/Confidential and Law Employees Compensation Plan (Unrepresented Compensation Plan), excluding the Stockton Police Officers Association MOU which is dependent on the Measure A side letter.**
- **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. This additional funding will help address the impact to city employees until additional employer contributions go into effect.**



- **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. It is recommended that this commitment be funded out of the FY 2023-24 year-end balance before reserves or special projects are considered.**
- **This funding will be allocated to Human Resources for authority to work with the appropriate unions to help address the premium increases.**
- **Approve a Budget Amendment**
  - **Authorize a \$2,000,000 transfer from the General Fund Reserve balance to the Health ISF Fund and appropriate the amount in the Health ISF Fund to assist city employees with the health insurance premium increases.**