

**RESOLUTION NO. 2007-191**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE  
ESTABLISHING RETIREE HEALTHCARE BENEFITS**

**WHEREAS**, the City of Elk Grove wishes to recruit and retain the highest quality of employees, and

**WHEREAS**, a large number of public sector employers provide some version of retiree health insurance benefits to its employees and retirees, and

**WHEREAS**, the City Council believes employees and retirees of the City of Elk Grove should have a retiree medical insurance option provided they meet certain criteria.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Elk Grove hereby directs, to be effective July 1, 2007, as follows:

1. The City Manager to execute documents to implement a Section 115 Trust and name the City Council as the Trustee;
2. The City Manager to execute such documents defining eligibility criteria for the program which shall include:

**Eligibility:**

Five consecutive years of employment at the executive level, defined as City Council appointed officials (City Manager, City Attorney and City Clerk), Assistant City Manager and Deputy City Manager(s), department heads reporting directly to the City Manager, and City Council.

Or, ten consecutive years of employment with the City of Elk Grove.

Note: Employment is defined as active employment and employees cannot use leave time to make up a portion of their service just prior to retirement. For example, a person who has a large leave balance cannot use the leave to qualify for the five or ten year period.

Retirement from the City of Elk Grove within 120 days of leaving employment.

**Industrial Disability Retirement:**

Immediately eligible if retired based on a job-related disability.

**Spouse:**

Eligibility is for the employee and spouse as long as either or both are living. The benefit does not pass on to dependents.

**Amount of Payment:**


An allowance of \$800 per month will be deposited into a Health Reimbursement Account (HRA) for use by the retiree to pay for medical expenses as allowed under the Internal Revenue Code.

**Re-employment after Retirement:**

If a retiree joins a PERS contracting agency after retirement, their eligibility for this benefit is suspended during said employment. If retiree benefits are provided through the newer PERS employer, the benefits under this plan will terminate.

3. The City Manager to set aside from the reserve fund into an irrevocable Trust the sum of \$1,500,000 representing the first year annual required contribution (ARC) and the balance to help offset future liabilities of the program.
4. The effective date of this program is July 1, 2007.

**PASSED AND ADOPTED** by the City Council of the City of Elk Grove this 22<sup>nd</sup> day of August 2007.

  
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JAMES COOPER, MAYOR of the  
CITY OF ELK GROVE

ATTEST:

  
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PEGGY E. JACKSON, CITY CLERK

APPROVED AS TO FORM:

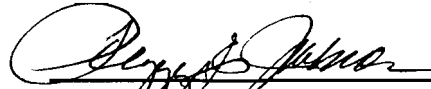
  
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JONATHAN P. HOBBS,  
INTERIM CITY ATTORNEY

**CERTIFICATION**  
**ELK GROVE CITY COUNCIL RESOLUTION NO. 2007-191**

STATE OF CALIFORNIA        )  
COUNTY OF SACRAMENTO    )        ss  
CITY OF ELK GROVE         )

**I, Peggy E. Jackson, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on August 22, 2007 by the following vote:**

**AYES :        COUNCILMEMBERS:        Cooper, Leary, Scherman, Davis, Hume,**  
**NOES:        COUNCILMEMBERS:        None**  
**ABSTAIN :    COUNCILMEMBERS:        None**  
**ABSENT:      COUNCILMEMBERS:        None**

  
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**Peggy E. Jackson, City Clerk**  
**City of Elk Grove, California**

