

Agenda Date: August 25, 2016  
Agenda Placement: Admin.  
Estimated Time: N/A  
Continued Item: No

## Board Agenda Item

TO: Air Pollution Control District Board

FROM: Aeron Arlin Genet, Air Pollution Control Officer

CONTACT: Kristina Aguilar, Administrative Manager 961-8813

SUBJECT: Resolution for Delegating Authority to the Air Pollution Control Officer for Approving Employee Benefit Plan Renewals

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### RECOMMENDATION:

Adopt the attached Resolution delegating authority to the Air Pollution Control Officer to amend, enter into, and renew contracts for multiple employee benefit insurance plans to become effective January 1, 2017 for the 2017 calendar year.

### DISCUSSION:

One of the goals of our agency is to provide employees with health benefit programs that meet their needs. These needs include quality care, an adequate choice of providers, and the ability to select from a variety of options and costs.

In order to accommodate the Board meeting schedule while ensuring timely insurance renewals, delegation of authority to the Air Pollution Control Officer (Control Officer) for employee benefits is necessary. This authority is only delegated within the parameters outlined in the attached Resolution, namely the Board must have authorized an overall budget for employee benefits and the total dollar amount of all benefits provided to employees shall be within the budget authorized by the Board.

Following historical trends, many employers are seeing renewal increases ranging from 2.1% to 6.8% this year. The Control Officer will carefully review all available options along with representatives from each employee group in order to ensure staff receives adequate health care at the best possible rates. Based on the Board approved Memoranda of Understandings (MOUs) with our employee groups and the Management Benefits Resolution, the total budgeted cost of

the District's contribution toward employee benefits for the 2017 (12-month) calendar year will not exceed the following amounts:

- \$204,200 for Major Medical and Vision; and
- \$18,000 for Dental.

The MOUs and Management Benefits Resolution also contain provisions for employer paid benefits. The cost of these benefits for the 2017 calendar year will not exceed:

- \$1,200 for the Management Life and Accidental Death & Dismemberment policy;
- \$1,800 for the Management Short Term Disability Policy;
- \$19,000 for Long Term Disability and Dismemberment coverage; and
- \$1,800 for the IRS Section 125 Plan administrative fees.

The remaining benefit plans are funded entirely through employee contributions and therefore will not result in any financial impact for the APCD. These policies are:

- Voluntary Term Life Insurance;
- Voluntary Personal Accident Benefit Plan; and
- Supplemental Catastrophic Insurance Programs.

The Board will be given a report at its December 15, 2016 meeting, or as soon thereafter as the report can be given, summarizing the final benefits package authorized by the Control Officer. The report will include names of benefit carriers, level of benefits, and any fiscal impact of those benefits.

**ATTACHMENT:**

- Resolution – Delegating Authority to the Air Pollution Control Officer to Contract for Employee Benefit Plan Renewal