

SACRAMENTO METROPOLITAN AIR QUALITY MANAGEMENT DISTRICT

For Agenda of: September 27, 2007

TO: Board of Directors,
Sacramento Metropolitan Air Quality Management District

FROM: Larry Greene,
Air Pollution Control Officer

SUBJECT: Approval of revised resolution fixing the District's contribution under the Public Employees' Medical and Hospital Care Act

Recommendation Staff recommends the Board approve the attached resolution specifying the employer contribution for health care benefits and direct the Air Pollution Control Officer to file it with the California Public Employees Retirement System (CalPERS).

Purpose

CalPERS requires that they have on file a resolution approved by the participating employer's governing body specifying the current employer paid contribution for health care benefits.

This resolution will supersede Resolution 2007-028, approved by this Board in June 2007. CalPERS has requested minor language changes to the original resolution, eliminating the distinction in benefits between employees and annuitants and ensuring an equal contribution amount for both. This change in wording does not affect current employer contributions for health care, which are still subject to the \$740 cafeteria plan cap. This action is simply a ministerial fix to allow CalPERS to administer the total contribution amount for retirees.

Background

On June 28, 2007, the Board approved Resolution No. 2007-028, which was an update to Resolution No. 96-0028.

On May 2, 1996, the Board approved Resolution No. 96-0028, authorizing the District to provide health benefit coverage through CalPERS. Resolution 96-0028 subjected the District to the Public Employees' Medical and Hospital Care Act (PEMHCA), which at the time required that participating employers contribute a statutory minimum of \$16.00 per month toward health care benefits for employees and annuitants. That minimum is now \$80.80 per month for 2007 and will increase to \$97.00

for 2008. Thereafter it is set to increase annually by the amount of increase in the medical CPI.

In June of 2005, the Board approved resolutions adopting new labor contracts for the District's represented employees and resolutions granting management and unrepresented employees the same benefits provided for in those contracts. Included as a benefit was a \$50 per month employer paid contribution for health care for annuitants to be paid over and above the statutory minimum. Adopting this resolution will enable CalPERS to handle the administration of the additional \$50 for annuitants, saving the District administrative oversight and workload.

Fiscal Impact None.

Respectfully submitted,

Larry Greene
Air Pollution Control Officer

Reviewed by:

Kathrine Pittard
District Counsel

SACRAMENTO METROPOLITAN AIR QUALITY MANAGEMENT DISTRICT

Resolution No. _____

RESOLUTION FIXING THE EMPLOYER'S CONTRIBUTION UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT

WHEREAS, Government Code Section 22892(a) provides that a local agency contracting under the Public Employees' Medical and Hospital Care Act shall fix the amount of the employer's contribution at an amount not less than required under Section 22892(b) of the Act, and

WHEREAS, Sacramento Metropolitan Air Quality Management District is a local agency contracting under the Act; and

WHEREAS, the Board previously approved, for each employee or annuitant, an employer paid contribution of fifty (\$50) dollars per month over and above the statutory minimum for health care benefits.

NOW, THEREFORE BE IT RESOLVED, that the employer's contribution for each employee or annuitant shall be the amount necessary to pay the cost of his/her enrollment, including the enrollment of his/her family members, in a health benefit plan, up to the statutory minimum plus administrative fees and Contingency Reserve Fund assessments; and

BE IT FURTHER RESOLVED, that the District will contribute an additional fifty (\$50) dollars per month for each employee or annuitant toward the cost of his/her enrollment in a health benefit plan; and

BE IT FURTHER RESOLVED, that this resolution will supersede Resolution No. 2007-028, approved by the Board in June 2007; and

BE IT FURTHER RESOLVED, that the Air Pollution Control Officer file with the Board of Administration of the Public Employees' Retirement System a verified copy of this Resolution.

On a Motion by Director _____ and seconded by Director _____, the foregoing Resolution is passed and adopted by the Board of Directors of the Sacramento Metropolitan Air Quality Management District, State of California, the 27th day of September, 2007.

AYES Directors

NOES Directors

ABSENT Directors

Chairperson of the Board of Directors
Sacramento Metropolitan Air
Quality Management District

ATTEST: _____ Clerk, Board of Directors