



AGENDA SUBMITTAL TO SOLANO COUNTY BOARD OF SUPERVISORS

ITEM TITLE Approve a change to the cafeteria plan contribution for unrepresented managers, including legislative, executive, senior, and mid management – confidential, from 80% to 75% of the CalPERS Bay Area Region Kaiser family rate beginning with the January 2011 renewals		BOARD MEETING DATE October 5, 2010	AGENDA NUMBER 14
Dept: Contact: Extension:	Human Resources Donald W. Turko 784-2552	Supervisorial District Number ALL	
	Published Notice Required?	Yes _____	No <u> X </u>
	Public Hearing Required?	Yes _____	No <u> X </u>

DEPARTMENTAL RECOMMENDATION:

It is recommended that the Board of Supervisors approve a change to the cafeteria plan contribution for unrepresented managers, including legislative, executive, senior, and mid management – confidential, from 80% to 75% of the CalPERS Bay Area Region Kaiser family rate beginning with the January 2011 renewals

DISCUSSION/SUMMARY:

On October 23, 2007, the Board of Supervisors approved the Memorandum of Understanding with Unit #6 and Unit #10. Also included in that Board report was language setting the County contribution to the cafeteria plan for unrepresented employees for the 2008, 2009, and 2010 calendar years. At that time, the County contribution was approved at 80% of the CalPERS Bay Area/Sacramento Region Kaiser family rate for each of the applicable years with a cash back benefit of no more than \$334.58 per month for employees who elect employee only coverage and no more than \$500.00 minus the CalPERS Minimum Employer Contribution for employees who waive coverage.

In an effort to help control the County's increasing costs for providing medical coverage, staff is recommending the methodology used in calculating the County contribution to the cafeteria plan for unrepresented managers, including legislative, executive, senior, and mid management – confidential, be changed from 80% to 75% of the CalPERS Bay Area Region Kaiser family rate beginning with the January 2011 renewals. This action affects 154 unrepresented employees. Staff does not recommend a change to the cash back provisions at this time.

To maintain parity with the represented employee groups, staff is further recommending the County contribution to the cafeteria plan for confidential employees remain at 80% of the CalPERS Bay Area Region Kaiser family rate effective January 2011. The 80% contribution will remain in effect for confidential employees until the Board adopts similar reductions for their represented counterparts in other represented bargaining units.

FINANCING:

Reducing the County contribution to the cafeteria plan for unrepresented management employees from 80% to 75% of the CalPERS Bay Area Region Kaiser family rate beginning in January 2011 will result in annual savings of approximately (\$66,395) for these groups. The fiscal year 2010/11 savings will be approximately (\$38,731). The annual savings once all groups agree to this reduction will be an additional (\$858,659) with additional fiscal year 2010/11 savings of approximately (\$500,884).

ALTERNATIVES:

The Board could choose not to change the methodology used in calculating the County contribution to the cafeteria plan; however, this is not recommended. The reduction to 75% is recommended as a cost saving measure intended to assist in controlling the County's costs for providing medical coverage. If the Board chooses to not adopt this recommendation, staff recommends the Board approve continuing the current methodology.

OTHER AGENCY INVOLVEMENT:

The County Administrator's Office has reviewed this item and concurs with the Department's recommendation.

CAO RECOMMENDATION:

APPROVE DEPARTMENT
RECOMMENDATION

DEPARTMENT HEAD SIGNATURE:


