



Contra
Costa
County

To: Contra Costa County Fire Protection District Board of Directors
From: David Twa, County Administrator
Date: December 8, 2015

Subject: Confirm Adoption of Health Care Changes in MOUs with the United Chief Officers' Association and UPFF, Local 1230

RECOMMENDATION(S):

CONFIRM adoption of Resolutions No. 2014/5 and 2015/4 that approved Memorandum of Understanding (MOU) between the Contra Costa County Fire Protection District and the United Professional Firefighters, Local 1230 and between the Contra Costa County Fire Protection District and the United Chief Officers' Association, modifying Section 14 of the MOUs.

FISCAL IMPACT:

As shown in the attached valuations, the result of the health plan changes described herein, if implemented, will create a \$22.6 million or 2.85% decrease in the Actuarial Accrued Liability and a \$2.5 million or 2.86% decrease in the calculated Annual Required Contribution.

BACKGROUND:

New Memoranda of Understanding were approved by the Contra Costa County Fire Protection Board on December 9, 2014, (Resolution No. 2014/5) and August 25, 2015, (Resolution No. 2015/4) for the UPFF, Local 1230 and United Chief Officers' Association respectively.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD
COMMITTEE

Action of Board On: **12/08/2015** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, Director
Candace Andersen, Director
Mary N. Piepho, Director
Karen Mitchoff, Director
Federal D. Glover, Director

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: December 8, 2015

David Twa, County Administrator and Clerk of the Board of Supervisors

Contact: Lisa Driscoll, County
Finance Director (925) 335-1023

By: June McHuen, Deputy

BACKGROUND: (CONT'D)

> In summary, changes to the health and dental care provisions of those MOUs are:

UPFF, Local 1230 MOU Section 14:

Health & Welfare, Life & Dental

- For the plan year that begins on January 1, 2016, the District will pay a monthly premium subsidy for each health plan that is equal to the actual dollar monthly premium subsidy that is paid by the District as of November 30, 2015. If there is an increase in the monthly premium charged by a health plan for 2016, the District and the employee will each pay fifty percent (50%) of that increase. For each calendar year thereafter, the District and the employee will each pay fifty percent (50%) of the monthly premium increase above the 2015 plan premium.

Delta and PMI Delta Care

- For the plan year that begins on January 1, 2016, the District will pay a monthly premium subsidy for each health plan that is equal to the actual dollar monthly premium subsidy that is paid by the District as of November 30, 2015. In addition, if there is an increase in the monthly premium charged by a health plan for 2016, the District and the employee will each pay fifty percent (50%) of that increase. For each calendar year thereafter, the District and the employee will each pay fifty percent (50%) of the monthly premium increase above the 2015 plan premium.

Dental Only

- Employees who elect dental coverage as stated above without health coverage will pay one cent (\$.01) per month for such coverage. Beginning on January 1, 2016, the District will pay a monthly dental premium subsidy for each dental plan that is equal to the actual dollar monthly premium subsidy that is paid by the District for 2015. If there is an increase in the premium charged by a dental plan for 2016, the District and the employee will each pay fifty percent (50%) of the increase. For each calendar year thereafter the District and the employee will each pay fifty percent (50%) of the premium increase that is above the 2015 plan premium.
- In the event, in whole or in part, that the above amounts are greater than one hundred percent (100%) of the applicable premium of any plan, the District's contribution will not exceed one hundred percent (100%) of the applicable plan premium.

Retirement Dental Coverage

- For employees hired on or after January 1, 2015, no monthly premium subsidy will be paid by the District for any dental plan after they separate from District employment.

Dual coverage

- On and after January 1, 2015, each employee and retiree may be covered by only a single District health and/or a single District dental plan, including CalPERS plans.
- On and after January 1, 2015, each dependent may be covered by the health and/or dental plan of only one spouse or one domestic partner.

UCOA MOU Section 14

Health and Welfare, Life and Dental Care

- For the plan year that begins on January 1, 2016, the District will contribute up to an amount equivalent to 80% of the 2016 CalPERS Kaiser premium.
- For the plan year that begins on January 1, 2017, the District will pay a monthly premium subsidy for each health plan that is equal to the actual dollar monthly premium subsidy that is paid by the District for that plan as of November 30, 2016. If there is an increase in the monthly premium charged by a health plan for 2017, the District and the employee will each pay fifty percent (50%) of that increase. For each plan year thereafter, and for each plan, the District and the employee will each pay fifty (50%) of the monthly premium increase above the 2016 plan premiums.

Delta and PMI Delta Care

- For the plan year that begins on January 1, 2016, the District will pay a monthly premium subsidy for each dental plan that is equal to the actual dollar monthly premium subsidy that is paid by the District as of November 30, 2015. In addition, if there is an increase in the monthly premium charged by a dental plan for 2016, the District and the employee will each pay fifty percent (50%) of that increase. For each plan year thereafter, the District and the employee will each pay fifty percent (50%) of the monthly premium increase above the 2015 plan premium.

Dental Only

- Employees who elect dental coverage as stated above without health coverage will pay one cent (\$.01) per month for such coverage. Beginning on January 1, 2016, the District will pay a monthly dental premium subsidy for each dental plan that is equal to the actual dollar monthly premium subsidy that is paid by the District for 2015. If there is an increase in the premium charged by a dental plan for 2016, the District and the employee will each pay fifty percent (50%) of the increase. For each plan year thereafter, the District and the employee will each pay fifty percent (50%) of the premium increase that is above the 2015 plan premium.

This action confirms the changes specified in the MOUs. The Government Code 7507 valuation reports for this benefit change, considered by the Board of Directors on November 17, 2015, are attached.

CONSEQUENCE OF NEGATIVE ACTION:

Delayed implementation of health care rate revisions.

ATTACHMENTS

7507 Report for L1230 dated January 9, 2015

7507 Report for UCOA dated November 10, 2015