

To: Contra Costa County Housing Authority Board of Commissioners  
 From: Joseph Villarreal, Housing Authority  
 Date: November 9, 2021



Contra  
Costa  
County

Subject: GOVERNMENT CODE 7507 COMPLIANCE - OTHER POST-EMPLOYMENT BENEFITS -  
 PROPOSED CHANGES FOR RETIREES AND EMPLOYEES

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## **RECOMMENDATIONS**

ACCEPT the attached actuarial valuation of future annual costs of proposed changes to Other Post-Employment Benefits to the Housing Authority's (HACCC) health care medical premium subsidy for employees and retirees affected by the proposed, negotiated agreements.

## **BACKGROUND**

On August 10, 2021, this Board adopted Resolution No. 5236 approving the Successor Memorandum of Understanding (MOU) with Public Employees Union, Local #1/AFSCME (Union), providing for wages, non-healthcare benefits, and other employment conditions for the term of July 1, 2021, through June 30, 2024. Similarly, on September 14, 2021, this Board adopted Resolution No. 5237 regarding compensation and non-healthcare benefits for the unrepresented employees of the Housing Authority of the County of Contra Costa.

On June 29, 2021, a Tentative Agreement with the Union was signed that included a change to the health care subsidy paid by HACCC from a flat amount to a percentage payment. Specifically, the TA provided that HACCC will pay the following percentages of the premium for the CalPERS Kaiser Premium plan, towards all health plans offered by

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Action of Board On: **11/09/2021** ☐ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

### **VOTE OF COMMISSIONERS**

AYE: John Gioia, Commissioner  
 Candace Andersen,  
 Commissioner  
 Diane Burgis,  
 Commissioner  
 Karen Mitchoff,  
 Commissioner  
 Federal D. Glover,  
 Commissioner  
 Cynthia Jordan,  
 Commissioner  
 Joanne Segura,  
 Commissioner

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: November 9, 2021

Joseph Villarreal, Executive Director

By: June McHuen, Deputy

Contact: 925-957-8028

cc:

CalPERS:

## BACKGROUND (CONT'D)

- 64% Effective January 1, 2022
- 67% Effective January 1, 2023
- 70% Effective January 1, 2024

If the maximum amount is not sufficient to provide such benefit, any excess amounts necessary shall be paid for by the Employee through payroll deductions. The proposed change to the health care subsidy was not included in the Successor MOU, because HACCC was awaiting an actuarial analysis of the change as required by State law.

California Government Code, Section 7507 requires that local legislative boards must have an actuary consider the future costs of changes in retirement benefits or other post-employment benefits and that those costs must be published at a public meeting at least two weeks prior to the adoption of any changes in public retirement plan benefits, or other post-employment benefits. The report provided to HACCC on October 5, 2021, by our Actuary is attached. The attached report contains a summary of the current plan provisions that are based on an actuarial valuation dated July 1, 2020. HACCC's Actuary will also attend this meeting to answer any questions Board members may have about the report. On December 7, 2021, the Board of Commissioners may consider, and may take formal action, with respect to the proposed changes in health care benefits shown above for current employees and current and future retirees who are eligible for health care coverage.

## FISCAL IMPACT

As shown in the valuation, the result of the health plan changes described herein, if implemented for all current and future eligible retirees, will create a \$368,000 increase in the Annual Required Contribution, a \$128,090 increase in the Normal Cost, and a \$2.9 million increase in the total Actuarial Accrued Liability.

## CONSEQUENCE OF NEGATIVE ACTION

It is expected that the Union will seek to reopen negotiations concerning health care reimbursements.

## ATTACHMENTS

Cover Email

2020-2024 ADC Projection