

To: Contra Costa County Housing Authority Board of Commissioners
 From: Joseph Villarreal, Housing Authority
 Date: December 7, 2021



**Contra
Costa
County**

Subject: APPROVE HEALTH CARE BENEFIT ENHANCEMENTS FOR REPRESENTED AND UNREPRESENTED EMPLOYEES

RECOMMENDATIONS

1. ADOPT Resolution No. 5239 approving the health care benefits portion of the Successor Memorandum of Understanding with Public Employees Union, Local #1/AFSCME, for the term of July 1, 2021, through June 30, 2024.
2. ADOPT Resolution No. 5240 approving health care benefits for the unrepresented employees of the Housing Authority of the County of Contra Costa.

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.

Action of Board On: **12/07/2021** ☒ 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
 Joanne Segura,
 Commissioner
 Cynthia Jordan,
 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: December 7, 2021

Joseph Villarreal, Executive Director

By: June McHuen, Deputy

Contact: 925-957-8028

cc:

BACKGROUND (CONT'D)

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 CalPERS:

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

Any excess amounts necessary to pay the health care premium in full shall be paid for by the Employee through payroll deductions. The proposed change to the health care subsidy was not included in either the Successor MOU or the compensation package for unrepresented employees, because HACCC was awaiting an actuarial analysis of the change as required by State law.

As required by California Government Code section 7507, the actuarial report that considered the future costs of changes in retirement benefits, or other post-employment benefits was provided to this Board at the November 9, 2021, meeting. This meeting was more than two weeks ago, so it is appropriate to consider adoption of the proposed health care benefit changes for current employees and current and future retirees who are eligible for health care coverage at today's meeting. HACCC's Actuary will be in attendance if there are any questions about the report.

FISCAL IMPACT

As shown in the attached actuarial valuation, the result of the health care 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

RES 5239

RES 5240

Email HACCC 2020-2024 ADC Project Plan Change

HACCC 2020-2024 ADC Projection with Plan Change