



Lou Ann Texeira  
 Executive Officer

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<b>Diane Burgis</b> <i>County Member</i>
<b>Sharon Burke</b> <i>Public Member</i>
<b>Tom Butt</b> <i>City Member</i>
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July 12, 2017  
 Agenda Item 10

July 12, 2017 (Agenda)

Contra Costa Local Agency Formation Commission  
 651 Pine Street, Sixth Floor  
 Martinez, CA 94553

**Proposed Amendments to the LAFCO Employee Benefit Plan**

Dear Commissions:

LAFCO is an independent entity created by the State Legislature. Pursuant to Government Code §56000 et seq., LAFCO hires its own staff and can provide benefits, including health, dental, retirement and other benefits for its employees.

In November 2007, the Commission adopted a personnel system for Contra Costa LAFCO, including job descriptions, classification and salary plans, an updated contract between LAFCO and Contra Costa County Employees’ Retirement Association, and a LAFCO Employee Benefit Plan. The LAFCO Employee Benefit Plan provides benefits comparable to the County’s management benefit plan which were historically provided to LAFCO employees. Contra Costa LAFCO currently employs two full-time employees, both of whom are covered under this plan.

At this time, staff is proposing two amendments to the LAFCO Employee Benefit Plan relating to health and dental benefits and catastrophic leave. Neither amendment will negatively impact the LAFCO budget.

LAFCO currently purchases its health, dental and other employee benefits through Contra Costa County. LAFCO staff was recently contacted by the County Human Resources Department with information relating to changes to the County’s health benefits, which are available to LAFCO employees. The County has added several new health insurance options, including two new Kaiser plans, one new Health Net HMO plan, and one new Health Net PPO plan. Also, last year, the County shifted from a 2-tier benefit structure (i.e., Employee and Employee +1 or more dependent) to a 3-tier benefit structure (i.e., Employee only, Employee + 1 and Employee + 2 or more).

The proposed amendments include adding the new health insurance plan options and amending the tier structure to include 3-tiers to coincide with the County's structure. Should the Commission approve these amendments, they will become effective January 1, 2018. No changes to employee and employer premium proportions are proposed. The added health plan options will mirror existing premium proportions as shown in the attachment. Based on the current LAFCO employees' health plans and employee status, the 3-tier structure will result in costs savings to both employee and employer premiums.

The other proposed amendment deals with catastrophic leave. As noted above, the LAFCO Employee Benefit Plan was modeled after the County's management benefits and includes the following provision relating to catastrophic leave:

**CATASTROPHIC LEAVE BANK:** *Employees may contribute personal accruals of vacation, compensatory time, holiday time or floating holiday time to the County bank or a specific eligible employee. Employees may petition for transfer of accruals from the bank if all leave accruals have been exhausted due to catastrophic injury or illness. Details regarding catastrophic leave are provided in the Contra Costa County Management Resolution.*

Given that LAFCO employees are not County employees, this benefit is not available to LAFCO personnel. LAFCO employees consulted with human resource and legal experts as to whether LAFCO should create its own catastrophic leave program. The general consensus is that it is not feasible, and that LAFCO delete this provision from its employee benefit plan.

**RECOMMENDATION:** Staff recommends that the Commission amend the LAFCO Employee Benefit Plan per the attached resolution to include the proposed amendments to the Employee Benefit Plan.

Sincerely,

LOU ANN TEXEIRA  
EXECUTIVE OFFICER

Attachment - LAFCO Resolution 2017-1 Amending the LAFCO Employee Benefit Plan

c: Ann Elliot, County Employee Benefits Manager

**RESOLUTION NO. 2017-01**

**RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION  
AMENDING THE CONTRA COSTA LAFCO EMPLOYEE BENEFIT PLAN**

**WHEREAS**, the Contra Costa Local Agency Formation Commission (LAFCO) is an independent regulatory agency created by the State Legislature; and

**WHEREAS**, pursuant to Government Code §56385, LAFCO may provide benefits, including retirement, health, dental and other benefits to its employees; and

**WHEREAS**, in 2007, the Commission adopted a benefit plan for LAFCO employees; and

**WHEREAS**, Contra Costa LAFCO participates in Contra Costa County administered benefit programs for health, dental, life insurance, deferred compensation and other benefits; and

**WHEREAS**, any changes to the LAFCO employee benefit plan must be approved by the Commission; and

**WHEREAS**, Contra Costa LAFCO retains the right to modify the LAFCO employee benefit plan at any time, and will notify the County in such event; and

**WHEREAS**, the Contra Costa County Human Resources Department advised LAFCO of the County's enhanced medical plan options including new health plan choices (as shown in Exhibit A) and employee coverage tiers in which LAFCO employees are eligible to participate; and

**WHEREAS**, the County also advised that LAFCO employees are not eligible to participate in the catastrophic leave bank, and that this section of the LAFCO Employee Benefit Plan be amended or deleted.

**NOW, THEREFORE, BE IT RESOLVED** that effective January 1, 2018, Contra Costa LAFCO hereby amends its employee benefit plan as shown on the attached (Exhibit A), and that LAFCO will also provide the 3-tier health and dental plan premium structure (i.e., Employee only, Employee + 1 and Employee + 2 or more).

**BE IT FURTHER RESOLVED** that effective July 12, 2017, LAFCO amend its benefit plan to delete the section entitled **CATASTROPHIC LEAVE BANK**.

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PASSED AND ADOPTED THIS 12<sup>TH</sup> day of July 2017, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

\_\_\_\_\_  
DONALD A. BLUBAUGH, CONTRA COSTA LAFCO

*I hereby certify that this is a correct copy of a resolution passed and adopted by this Commission on the date stated above.*

Dated: July 12, 2017

\_\_\_\_\_  
Lou Ann Texeira, Executive Officer

## EXHIBIT A

**MEDICAL, DENTAL AND RELATED BENEFITS:** LAFCO offers its employees health, dental and related benefits through the County's plans which include the following: Contra Costa Health Plans (CCHP) Plan A or Plan B, Kaiser Foundation Health Plans ([Plan A](#), [Plan B](#) or [High Deductible Plan](#)), and Health Net HMO ([Plan A](#) or [Plan B](#)) or PPO ([Plan A](#) or [Plan B](#)). Delta Dental and PMI Delta Care Dental are available separately or in combination with medical plans.

LAFCO will pay the following proportions of the monthly premium charges for employees and for their eligible family members as defined in the Contra Costa County Management Resolution:

- a. CCHP, Plan A – 98%
- b. CCHP, Plan B – 90%
- c. Kaiser, [Plan A](#) – 80%
- d. [Kaiser, Plan B – 80%](#)
- ~~d.~~e. Health Net HMO, [Plan A](#) – 80%
- f. [Health Net HMO, Plan B – 80%](#)
- ~~e.~~g. Health Net PPO, [Plan A](#) – 66.27% (only 50% of any premium increase after 2000)
- h. [Health Net PPO, Plan B – 66.27% \(only 50% of any premium increase after 2000\)](#)
- ~~f.~~i. Delta Dental or PMI Delta Care Dental when combined with CCHP ~~Plan A or B~~ – 98%
- ~~g.~~j. Delta Dental when combined with Kaiser, Health Net HMO or Health Net PPO – 78%
- ~~h.~~k. PMI Delta Care Dental when combined with Kaiser, Health Net HMO or Health Net PPO – 78%
- ~~i.~~l. Delta Dental or PMI Delta Care Dental when not combined with any health plan – 100% (less \$.01)