



Coastside Fire Protection District STAFF REPORT

TO: Honorable Board of Directors **FROM:** Paul Cole, Assistant Fire Chief
SUBJECT: 2018 CalPERS Health Premiums **DATE:** August 23, 2017

Staff Recommendation

1. That the Board of Directors accepts this report as presented.
2. That the Board of Directors approve increasing the Districts health care contribution for retirees to reflect the 2018 Kaiser rate.

Background

The CalPERS HMO Basic Premium Rates – Bay Area Region are as follows:

2018 Kaiser Monthly Rates – Single (\$779.86), 2-Party (\$1,559.72), Family (\$2,027.64)

*(2018 premiums reflect a **6.34% increase** from the 2017 rates)*

Discussion

The 2018 Health care costs are estimated at \$320,913.00. The 2017/18 Final Budget reflects the following health care premium:

Health Insurance –Retirees: \$321,000.00

Based upon these projections we can reasonable be assured the 2018 health care costs can be supported by the FY 2017/18 budgeted amount.

Additionally, by approving the increase to the employer contribution with an effective date of January 1, 2018, the District will hereby ensure all out-of-pocket expenses incurred by the retirees will be compensated.

Attachment

CalPERS 2018 Monthly Premium for Contracting Agencies, Bay Area Region.

RESOLUTION NO. 2017-30
FIXING THE EMPLOYER CONTRIBUTION AT AN EQUAL AMOUNT FOR EMPLOYEES AND ANNUITANTS
UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT
WITH RESPECT TO A RECOGNIZED EMPLOYEE ORGANIZATION
GROUP 001 REPRESENTED SAFETY

- WHEREAS, (1) **Coastside Fire Protection District** is a contracting agency under Government Code Section 22920 and subject to the Public Employees' Medical and Hospital Care Act (the "Act") for participation by members of **Represented Safety** and
- WHEREAS, (2) Government Code Section 22892(a) provides that a contracting agency subject to Act shall fix the amount of the employer contribution by resolution; and
- WHEREAS, (3) Government Code Section 22892(b) provides that the employer contribution shall be an equal amount for both employees and annuitants, but may not be less than the amount prescribed by Section 22892(b) of the Act; and
- RESOLVED, (a) That the employer contribution for each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members in a health benefits plan up to a maximum of **\$779.86** per month with respect to employee or annuitant enrolled for self alone, **\$1,559.72** per month for employee or annuitant enrolled for self and one family member, and **\$2,027.64** per month for employee or annuitant enrolled for self and two or more family members, plus administrative fees and Contingency Reserve Fund assessments; and be it further
- RESOLVED, (b) **Coastside Fire Protection District** has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further
- RESOLVED, (c) That the participation of the employees and annuitants of **Coastside Fire Protection District** shall be subject to determination of its status as an "agency or instrumentality of the state or political subdivision of a State" that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that **Coastside Fire Protection District** would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, CalPERS may be obligated, and reserves the right to terminate the health coverage of all participants of the employer.
- RESOLVED, (d) That the executive body appoint and direct, and it does hereby appoint and direct, Assistant Chief Paul Cole to file with the Board a verified copy of this resolution, and to perform on behalf of Coastside Fire Protection District all functions required of it under the Act.
- RESOLVED, (e) That coverage under the Act be effective on **January 1, 2018**.

Adopted at a Regular meeting of the Board of Directors at Half Moon Bay, this 23rd day of August, 2017.

Signed: _____
President, Gary Burke

Attest: _____
Secretary, Ginny McShane