

DATE: September 4, 2014

TO: FINANCE & PERSONNEL COMMITTEE

FROM: Herbert L. Pike, C.P.F.O., Finance Director

SUBJECT: RESOLUTION No. 16-14 in CalPERS FORMAT TO REPLACE
RESOLUTION 14-14 RE ABAG CONTRIBUTIONS FOR MEDICAL INSURANCE

At the July meeting of both the Finance & Personnel Committee and the Executive Board, Resolution 14-14 was presented and approved to modify the ABAG payments to CalPERS on behalf of our employees and retirees. Because of the “cafeteria plan” available to our employees, there is no net impact.

For the retirees, this action is necessary to enable ABAG to effectuate the two-tier retiree medical benefit commenced back on July 1, 2009 pursuant to the negotiated labor agreement. The effective date of this action will be January 1, 2015. It will necessitate a change in process in how the ABAG contribution to our legacy (Tier 1) retirees receive their medical benefits from ABAG, the net dollar amount of their benefits will not change. Commencing in January, they will commence receiving a check from ABAG for their medical benefits instead of ABAG paying directly to CalPERS for the retiree medical costs.

The attached modified resolution, Resolution No. 16-14, is required by CalPERS to effectuate what was stated in Resolution No. 14-14.

F&PC AGENDA ITEM #5

**RESOLUTION FIXING THE EMPLOYER'S CONTRIBUTION UNDER THE
PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT**

- WHEREAS, (1) Government Code Section 22892(a) provides that a local agency contracting under the Public Employees' Medical and Hospital Care Act shall fix the amount of the employer's contribution at an amount not less than the amount required under Section 22892(b) of the Act, and
- WHEREAS, (2) Association of Bay Area Governments is a local agency contracting under the Act; now, therefore be it
- RESOLVED, (a) That the employer's contribution for each employee or annuitant shall be the amount necessary to pay the cost of his/her enrollment, including the enrollment of his/her family members, in a health benefit plan, up to a maximum of the PEMHCA Minimum per month, plus administrative fees and Contingency Reserve Fund Assessments; and be it further
- RESOLVED, (b) That Association of Bay Area Governments has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above.

Adopted at a regular meeting of the Executive Board of the Association of Bay Area Governments at Oakland, California this 18th day of September, 2014.

Signed:

Julie Pierce, President

Attest:

Frederick Castro, Clerk of the Board