



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 12/6/2016

Agenda Placement: 6L

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Heather Ruiz - Director
Human Resources
REPORT BY: Stephanie Sifuentes, Human Resources Analyst II - 707-259-8720
SUBJECT: HR Resolution to Amend the Departmental Allocation List for Public Works

RECOMMENDATION

Director of Human Resources and Director of Public Works request adoption of a resolution amending the Departmental Allocation List for the Public Works Department, effective December 17, 2016, as follows:

1. Deleting one 0.8 FTE Animal Attendant; and
2. Adding one 1.0 FTE Animal Attendant.

EXECUTIVE SUMMARY

The Director of Human Resources and the Director of Public Works recommend increasing the allocation for one Animal Attendant, currently allocated at 0.8 FTE, to 1.0 FTE to ensure compliance with the affordability provision of the Affordable Care Act (ACA).

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	Staff anticipates that the increase in costs of approximately \$4,000 this fiscal year will be covered by other expenditure reductions.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	Under the ACA regulations, if the County does not provide affordable coverage

to all employees, the County is at risk for ACA penalties. The penalty for not providing affordable coverage to all employee is \$3,240 per employee per year for each employee who is not offered affordable coverage. Increasing the allocation to 1.0 FTE would ensure that the contribution for this position qualifies as affordable, thus eliminating the County's risk of facing penalties.

Is the general fund affected? No

Future fiscal impact: The future fiscal impact would result in an increase of approximately \$10,000 annually and will be budgeted accordingly in future fiscal years.

Consequences if not approved: If this action is not approved, the County would be at risk for ACA penalties in 2017.

Additional Information:

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

The ACA requires that employers offer medical coverage to all full-time (30 hours or more per week) employees that meets minimum essential coverage, provides a minimum value, and is affordable. Affordability is determined as follows: an employee's contribution to their medical plan for single party coverage cannot exceed 9.69% of his/her annual household income. The County elected to use the rate of pay safe harbor method, which uses the employee's hourly rate of pay in order to calculate if the coverage offered is affordable. Because the County pays a pro-rated contribution for part time employees, the required employee contribution to medical for this 0.8 FTE Animal Attendant Trainee is more than the affordability threshold. If the County does not provide affordable coverage to all employees, the County is at risk for ACA penalties. The penalty for not providing affordable coverage to all employee is \$3,240 per employee per year for each employee who is not offered affordable coverage, and therefore receives a subsidy through the exchange. Therefore, increasing the allocation of this position to 1.0 FTE, and thus the reducing the required medical contribution would ensure that the employee's contribution falls below the 9.69% of income, making the coverage affordable, and ensuring the Count is in compliance with the affordability provision of the ACA.

SUPPORTING DOCUMENTS

A . Resolution

CEO Recommendation: Approve

Reviewed By: Helene Franchi