



Agenda Date: 7/10/2007
Agenda Placement: 6G

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Gregersen, Mark - Director
Human Resources
REPORT BY: Caryn Fagundes, Benefits Administrator, 253-4488
SUBJECT: Amendments to the Management Non-Classified Compensation Plan

RECOMMENDATION

Human Resources Director requests adoption of a resolution making certain amendments to County Policy Manual Part I: Section 37C-2 relating to retirement health benefits for Management Non-Classified employees appointed to serve on or after July 10, 2007.

EXECUTIVE SUMMARY

Today's requested action is to implement certain changes to Management Non-Classified retiree health benefits for employees hired on or after July 10, 2007. There were other changes made to the Management Non-Classified Compensation Plan to improve readability and clarify intent and which are not intended to make any substantive changes.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	General Fund (future years)
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The Management Non-Classified Compensation Plan is a County document that provides for a variety of benefits to active and retired employees. One proposed change to the Plan (the requirement to retire within 120 days of separation from Napa County) is proposed to meet Public Employees' Medical and Hospital Care Act (PEMCHA) requirements. In the long term, other

proposed changes are expected to stabilize and potentially lower County costs by limiting reimburseable amounts.

Is the general fund affected?

Yes

Future fiscal impact:

The approval of the changes to the lifetime medical will not have an immediate impact on the budget as any non-classified employee hired after July 10, 2007 will need to satisfy the vesting requirements of 8 years of Napa County service, of which at least 5 years must have been as a management non-classified officer or employee. The future fiscal impact is unknown and will not be known until a non-classified employee is hired and meets vesting requirements. In the long term the changes are likely to stabilize and potentially lower County reimbursement costs.

Consequences if not approved:

The County will continue to offer lifetime medical as outlined in the management compensation plan. PEMCHA requirements could potentially be problematic and potential cost savings would not be realized.

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

Today's requested action is to implement the following changes to Management Non-Classified retiree health benefits for employees hired on or after July 10, 2007.

1. The employee must retire within 120 days of separation from Napa County. This is a Public Employees Medical and Hospital Care Act (PEMCHA) requirement and intends for employees to retire from Napa County in order to receive post retirement medical benefits from Napa County; and
2. The County will reimburse retiree only coverage or retiree plus spouse or registered domestic partner coverage rather than dependent family coverage. Because of rising health care costs the County must now take steps to begin to control costs by limiting the coverage levels; and
3. The County will reimburse for health plan coverage in an amount based on the health plan in which most active Napa employees are participating at the time of retirement. This is another step in controlling the rising premium costs by limiting the County reimbursement. Currently, the County provides coverage in the health plan in which the retiree was enrolled at the time of retirement.

All other amendments made to the Management Non-Classified Compensation Plan are to improve readability and clarify intent and are not intended to make any substantive changes.

SUPPORTING DOCUMENTS

A . Resolution

B . Exhibit "A"

CEO Recommendation: Approve

Reviewed By: Karen Gratton