

Minutes

Sacramento Suburban Water District
Employee Benefits Ad Hoc Committee Meeting
Tuesday, August 11, 2020

Location:

Video and Audio Conference Only at 1-669-900-6833, or Zoom at Meeting Id #830 9259 3780

Call to Order – Videoconference/Audioconference Meeting

Chair Thomas called the meeting to order at 4:00 p.m.

Roll Call

Directors Present: Kevin Thomas and Kathleen McPherson.

Directors Absent: None.

Staff Present: General Manager Dan York, Assistant General Manager Mike Huot, Director of Finance and Administration Jeff Ott, Jim Arenz, Cassie Crittenden, and Heather Hernandez-Fort.

Public Present: Terri Ezaki and Katie Huddleston.

Announcements

None.

Public Comment

None.

Items for Discussion and Action

1. Fixing the Employer Contribution at an Equal Amount for Employees and Annuitants Under the Public Employees' Medical and Hospital Care Act for 2021 Benefit Plan Year and Medical Plan Analysis

Cassie Crittenden (Ms. Crittenden) presented the staff report and introduced Terri Ezaki (Ms. Ezaki) and Katie Huddleston (Ms. Huddleston) with Epic Consulting.

Ms. Huddleston presented the PowerPoint presentation and answered clarifying questions.

Director McPherson was not in favor of offering District employees a payment if they did not take advantage of the medical benefits offered by the District, as she believed it was not a cost savings to the District. She additionally expressed she believed there should be a cap placed on the payment for opting out.

General Manager Dan York (GM York) expressed the payment was an incentive for District employees, as it cost the District less for the medical program when employees choose to opt-out.

Ms. Huddleston continued presenting the PowerPoint presentation and answered clarifying questions.

The Committee requested a copy of the PowerPoint presentation be sent to them in color.

The Committee agreed to recommend continuing the health benefits with CalPERS for the 2021 benefit plan year for approval to the Board of Directors at the August 17, 2020, regular Board meeting.

Director McPherson expressed she was interested in reviewing some of the District Policies further as she disagreed with paying employees such a high amount to opt out of the District's medical benefits, noting she believed the cap should be a flat rate and it should not fluctuate based on medical plan rates. She requested to see how much the District was paying annually for employees to opt out.

GM York noted that staff has hired a consultant periodically to do a full analysis of the benefits package options to ensure the District was doing all it could to save money by selecting the best benefits package, as well as to provide justification for staying with CalPERS each year.

Director McPherson expressed she felt Epic did great work with explaining all of the options, noting the research provided clearly indicated the District should stay with CalPERS, but that she had concerns with some of the District Policies, which she noted should be looked at with the full Board.

2. Medical, Dental, Vision Benefits Analysis

Ms. Crittenden presented the staff report. Ms. Crittenden recommended the District to continue to utilize EPIC for consulting services related to analyzing the District's medical benefit plans.

Discussion ensued regarding cafeteria plans.

Ms. Ezaki noted that the Board should check with CalPERS before making any changes to ensure the changes are allowable based on prior resolutions.

The Committee agreed with staff's recommendation to utilize Epic to analyze the District's medical plans.

3. Merit Program

GM York presented the staff report.

Director McPherson expressed she was in favor of rewarding staff based on performance.

GM York expressed the District places a lot of effort into the performance evaluations for staff and noted that the District had one of the most robust performance evaluation programs in the region.

Director McPherson endorsed the annual Merit Program being set at 5%.

Chair Thomas expressed he was happy with the current rate of 4%.

Director McPherson expressed she believed that 5% was a more reasonable figure.

The Committee recommended that the annual Merit Program be set at 5% based on individual employee performance, which can be adjusted accordingly by the Board at budget time, and endorsed it being presented to the full Board with recommendation of approval.

Adjournment

Chair Thomas adjourned the meeting at 5:26 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District