

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 12

TO: Board of Directors

FROM: Edward Burnham, Director of Finance & Internal Operations

SUBJECT: Update to Employer Share of Medical Premiums; and update to Valley Clean Energy Employee Handbook

DATE: February 11, 2021

Recommendation

1. Adopt a resolution approving the updated employer share of medical premiums and update made to the Valley Clean Energy (VCE) Employee Handbook (Handbook).

Background & Discussion

VCE provides a benefits package including medical coverage for its employees to remain competitive with benefits offered by other CCA's. VCE currently contributes up to \$1,650 per month per employee towards medical, dental and vision insurance for a full-time employee and dependents coverage. VCE also contributes a prorated medical benefit amount for part-time employees based on the average hours worked per week. The employee is responsible for any premiums due for coverage(s) that are in excess of the VCE contribution amount.

Based on increased costs for medicare for 2021 and comparisons with other CCA's and SMUD medical benefit adjustments for 2021, Staff recommends that the \$1,650 per month be increased to \$1,750 per month resulting in a 6% increase. This is the approximate amount to cover an employee plus two dependents on a standard Kaiser Gold plan for 2021 in the Sacramento region, including dental and vision. Based on the number of employees taking medical coverage through VCE, total 2021 increase cost to VCE related to the recommended benefits adjustment is \$2,400.

Staff requests that the Board approve this change, along with the following redline changes to the employee handbook benefits section to implement the medical benefits increase:

Medical, Dental and Vision Insurance: We provide access to medical, dental & vision insurance plans for eligible employees and their dependents. You may be required to provide adequate proof of the dependent relationship in order to add the dependents to VCE's insurance policies. Typically proof of the relationship may be established through a copy of a birth certificate, adoption documents, marriage license, or certificate of registered domestic partnership. We cannot guarantee your domestic partner relationship will be kept confidential.

Full-time employees and part-time employees who are regularly scheduled to work a minimum of 30 hours per week are eligible for VCE's medical, dental, and vision insurance coverage. Each employee becomes eligible on the first of the month after the employee has started employment with VCE. VCE will contribute up to ~~\$1,650~~ **\$1,750** per month per employee towards VCE's medical, dental and vision insurance for a full-time employee and dependents coverage. VCE will contribute a prorated amount for part-time employees based on the average hours worked (for example, if the part-time employee is regularly scheduled to work 30 hours per week, VCE's contribution toward the cost of VCE's medical, dental and vision insurance coverage for the part time employee and his/her eligible dependents would be prorated to 75% of the full-time equivalent, i.e., ~~\$1,237.50~~ **\$1,312.50**). The employee is responsible for any premiums due for VCE coverage(s) that are in excess of the VCE contribution amount. Deductions from the employee's paycheck will be made to cover this cost. Information describing medical, dental and vision insurance benefits will be given to you when you become eligible to participate in the program. Eligible employees who elect not to receive medical insurance coverage from VCE must provide proof of adequate medical coverage from an alternate source within 30 days of becoming eligible through VCE for the benefit. Such election will be effective as of the employee's eligibility date and will remain in effect until the start of the next open enrollment period. Employees who have declined VCE medical insurance coverage and want to continue to decline coverage must provide proof of adequate medical coverage once per year, no later than 30 days prior to VCE's open enrollment period. Full time employees who decline to accept VCE medical, dental, and vision insurance benefits shall receive a payment of \$500 per month in lieu of coverage; part -time employees who are eligible for VCE medical, dental and vision insurance and decline to accept VCE medical, dental, and vision insurance shall receive a prorated payout based on the employee's regularly scheduled hours (i.e., an employee who is regularly scheduled to work 30 hours per week will receive 75% of the full-time equivalent, or \$375.)

Attachment

1. Resolution

VALLEY CLEAN ENERGY ALLIANCE

RESOLUTION NO. 2021-___

RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLEY CLEAN ENERGY ALLIANCE APPROVING UPDATES TO THE EMPLOYEE HANDBOOK

WHEREAS, on January 18, 2018, the Valley Clean Energy Employee Handbook was adopted;

WHEREAS, on January 23, 2019, the Board approved updates to the employment regulations and edits to payroll operational procedures to the Employee Handbook;

WHEREAS, on July 11, 2019, the Board approved updates to the Employee Handbook incorporating new laws and personnel requirements;

WHEREAS, on February 13, 2020 the Board approved updates to the Employee Handbook to reflect benefits eligibility date; and,

WHEREAS, in order to remain competitive in the recruiting and retention of energy industry employees, a higher contribution amount per month per employee towards VCE's medical, dental and vision insurance for a full-time employee and dependents coverage needs to be incorporated within the Employee Handbook.

NOW, THEREFORE, the Board of Directors of the Valley Clean Energy Alliance resolves as follows:

1. Adopt changes to the Employee Handbook (February 2020), Insurance Benefits (page 34), Medical, Dental and Vision Insurance (2 paragraph) as follows:

Medical, Dental and Vision Insurance: Full-time employees and part-time employees who are regularly scheduled to work a minimum of 30 hours per week are eligible for VCEA's medical, dental, and vision insurance coverage. Each employee becomes eligible on the first of the month after the employee has started employment with VCEA. VCEA will contribute up to ~~\$1,650~~ **\$1,750** per month per employee towards VCEA's medical, dental and vision insurance for a full-time employee and dependents coverage. VCEA will contribute a prorated amount for part-time employees based on the average hours worked (for example, if the part-time employee is regularly scheduled to work 30 hours per week, VCEA's contribution toward the cost of VCEA's medical, dental and vision insurance coverage for the part time employee and his/her eligible dependents would be prorated to 75% of the full-time equivalent, i.e., ~~\$1,237.50~~ **\$1,312.50**). The employee is responsible for any premiums due for VCEA coverage(s) that are in excess of the VCEA contribution amount. Deductions from the employee's paycheck will be made to cover this cost. Information describing medical, dental and vision insurance benefits will be given to you when you become eligible to participate in the program. Eligible employees who elect not to receive medical insurance coverage from VCEA must provide proof of adequate medical

coverage from an alternate source within 30 days of becoming eligible through VCEA for the benefit. Such election will be effective as of the employee's eligibility date and will remain in effect until the start of the next open enrollment period. Employees who have declined VCEA medical insurance coverage and want to continue to decline coverage must provide proof of adequate medical coverage once per year, no later than 30 days prior to VCEA's open enrollment period. Full time employees who decline to accept VCEA medical, dental, and vision insurance benefits shall receive a payment of \$500 per month in lieu of coverage; part -time employees who are eligible for VCEA medical, dental and vision insurance and decline to accept VCEA medical, dental, and vision insurance shall receive a prorated payout based on the employee's regularly scheduled hours (i.e., an employee who is regularly scheduled to work 30 hours per week will receive 75% of the full-time equivalent, or \$375.)

PASSED, APPROVED, AND ADOPTED, at a regular meeting of the Valley Clean Energy Alliance, held on the ___ day of _____ 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dan Carson, VCE Chair

Alisa M. Lembke, VCE Board Secretary