

VALLEY CLEAN ENERGY ALLIANCE**Staff Report – Item 13**

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 9, 2023

Recommendation

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

Background & Discussion

As part of its employee benefits package VCE currently contributes up to \$1,826 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., \$1,365.5). The employee is responsible for any premiums due for VCE coverage(s) that are in excess of the VCE contribution amount.

Based on an annual market survey of benefit providers to other local public energy agencies (CCA's SMUD), staff found that the cost to continue its current medical/dental/vision benefit package results in a 17% increase for 2023 (from \$1,826/mo to \$2,133/mo). This is the approximate amount to cover an employee plus two dependents on a standard Kaiser Gold plan for 2023, including dental and vision. As noted, the recommended increase is in line with other comparative entities (CCAs and SMUD) and available group insurance programs. Note: the total increase to VCE is approximately \$15k in 2023.

Staff recommends 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 ~~\$1,826~~ **\$2,133** 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., ~~\$1,365.5~~ **\$1,599.75**). 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 \$550 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 \$415.5.)

Attachment

1. Resolution

VALLEY CLEAN ENERGY ALLIANCE

RESOLUTION NO. 2023-___

**RESOLUTION OF THE BOARD OF DIRECTORS OF 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, on February 11, 2021, the Board approved updates to the Employee Handbook to adjust medical contributions amounts.

WHEREAS, on April 14, 2022, the Board approved updates to the Employee Handbook to update the General Manager to Executive Officer, working schedules, discretionary pay for performance, compensation equity adjustments, paid time off payout, retirement loan programs, and annual adjustment to medical contributions to maintain parity to costs.

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

1. Adopt changes to the VCE Employee Handbook, Insurance Benefits (page 35-36), 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 ~~\$1,826~~ **\$2,133** 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., ~~\$1,365.5~~ **\$1,599.75**). 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 _____ 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Tom Stallard, VCE Chair

Alisa M. Lembke, VCE Board Secretary