



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>31 Dec 2018</i> <i>Phil M. Power</i>		GENERAL MANAGER ACTION REQ'D:		
DATE: 12/21/2018		BOARD INITIATED ITEM: No		
Originator/Prepared by: Diane Iwata Dept: Human Resources Administration <i>Diane Iwata</i> Signature/Date: <i>12/21/2018</i>	General Counsel <i>[Signature]</i> <i>12/28/18</i> []	Controller/Treasurer <i>[Signature]</i> <i>12/27/18</i> []	District Secretary []	BARC <i>[Signature]</i> <i>12/27/18</i> []

Fix the Employer's Contribution to CalPERS Medical Premium for BPOA

PURPOSE

To obtain Board approval to adopt the resolutions which are required by the Public Employees' Medical and Hospital Care Act (PEMHCA) to implement the District and Employee/Annuitant premium contribution amounts for BART Police Officers' Association (BPOA) based on the collective bargaining agreement that was previously ratified by the Board.

DISCUSSION:

The collective bargaining agreement (CBA) with BPOA provides that the maximum that the District will contribute for employee and annuitant medical premiums will be based on the more costly of the CalPERS Bay Area HMO Blue Shield Access+ basic plan or the CalPERS Bay Area HMO Kaiser basic plan for the applicable level of plan participation for the employee, less employee/annuitant new monthly contributions of \$155.46 in calendar year 2019, \$160.12 in calendar year 2020, \$164.93 in calendar year 2021, and \$169.87 in calendar year 2022. Employees and annuitants who choose more costly plans will be responsible for the additional premium cost. For 2019, the earliest this can be deducted will be in March 2019. All future changes will be effective January 1st of the respective year. This schedule is also subject to the retiree medical eligibility schedule.

FISCAL IMPACT:

For the 238 BPOA employees currently enrolled in health care coverage and 165 current retirees, the contribution increase is estimated to produce a cost savings of \$252,326 over

four years. For FY 2019, savings are already included in the budget.

ALTERNATIVES:

This is a negotiated benefit for represented employees which the Board approved when it ratified the BPOA collective bargaining agreement of 2018-2022.

RECOMMENDATION:

That the Board adopts the following motion.

MOTION:

To adopt the attached resolutions pertaining to BPOA employees and eligible retirees regarding “Fixing the Employer’s Contributions under the Public Employees’ Medical and Hospital Care Act” and authorize the Board President to sign the resolutions on behalf of the Board.

RESOLUTION NO.
FIXING THE EMPLOYER VESTING CONTRIBUTION UNDER SECTION 22902
OF THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT
FOR GROUP 002 BART Police Officers' Association (BPOA)

- WHEREAS, (1) San Francisco Bay Area Rapid Transit District is a contracting agency under Government Code Section 22920 and subject to the Public Employees' Medical and Hospital Care Act (the "Act") for participation by members of the BART Police Officers' Association (BPOA); and
- WHEREAS, (2) San Francisco Bay Area Rapid Transit District is a contracting agency has filed a resolution with the Board of the California Public Employees' Retirement System to provide a postretirement health benefits vesting requirement to employees who retire for service in accordance with Government Code Section 22902; and
- RESOLVED, (a) That the employer contribution for each annuitant subject to vesting shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan up to a maximum of the higher of Kaiser Bay Area Basic or Blue Shield Access+ Bay Area Basic, less annuitant share of \$155.93 per month (2019), \$160.12 per month (2020), \$164.93 per month (2021) and \$169.87 per month (2022) plus administrative fees and Contingency Reserve Fund assessments; and be it further
- RESOLVED, (b) San Francisco Bay Area Rapid Transit District has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further
- RESOLVED, (c) That the participation of the employees and annuitants of San Francisco Bay Area Rapid Transit District shall be subject to determination of its status as an "agency or instrumentality of the state or political subdivision of a State" that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that San Francisco Bay Area Rapid Transit District would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, the California Public Employees' Retirement System may be obligated, and reserves the right to terminate the health coverage of all participants of the employer; and be it further
- RESOLVED, (d) That the executive body appoint and direct, and it does hereby appoint and direct, the District Secretary to file with the Board a verified copy of this resolution, and to perform on behalf of San Francisco Bay Area Rapid Transit District all functions required of it under the Act.
- RESOLVED, (e) That coverage under the Act be effective on March 1, 2019.

Adopted at a regular meeting of the Board of Directors of the San Francisco Bay Area Rapid Transit District at Oakland, California this this 10th day of January, 2019.

Signed: _____

President

Attest: _____
District Secretary

RESOLUTION NO.
FIXING THE EMPLOYER CONTRIBUTION UNDER SECTION 22892
OF THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT
FOR GROUP 002 BART Police Officers' Association (BPOA)

- WHEREAS, (1) San Francisco Bay Area Rapid Transit District is a contracting agency under Government Code Section 22920 and subject to the Public Employees' Medical and Hospital Care Act (the "Act") for participation by members of the 002 BART Police Officers' Association (BPOA); and
- WHEREAS, (2) Government Code Section 22892(a) provides that a contracting agency subject to Act shall fix the amount of the employer contribution by resolution; and
- WHEREAS, (3) Government Code Section 22892(b) provides that the employer contribution shall be an equal amount for both employees and annuitants, but may not be less than the amount prescribed by Section 22892(b) of the Act; and
- RESOLVED, (a) That the employer contribution for each employee/annuitant subject to vesting shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan up to a maximum of the higher of Kaiser Bay Area Basic or Blue Shield Access+ Bay Area Basic, less employee/annuitant share of \$155.93 per month (2019), \$160.12 per month (2020), \$164.93 per month (2021) and \$169.87 per month (2022), plus administrative fees and Contingency Reserve Fund assessments; and be it further
- RESOLVED, (b) San Francisco Bay Area Rapid Transit District has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further
- RESOLVED, (c) That the participation of the employees and annuitants of San Francisco Bay Area Rapid Transit District shall be subject to determination of its status as an "agency or instrumentality of the state or political subdivision of a State" that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that San Francisco Bay Area Rapid Transit District would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, CalPERS may be obligated, and reserves the right to terminate the health coverage of all participants of the employer.
- RESOLVED, (d) That the executive body appoint and direct, and it does hereby appoint and direct, the District Secretary to file with the Board a verified copy of this resolution, and to perform on behalf of San Francisco Bay Area Rapid Transit District all functions required of it under the Act.
- RESOLVED, (e) That coverage under the Act be effective on March 1, 2019.

Adopted at a regular meeting of the Board of Directors of the San Francisco Bay Area Rapid Transit District at Oakland, California this 10th day of January, 2019.

Signed: _____
President

Attest: _____
District Secretary