

LAFCO

Santa Barbara Local Agency Formation Commission

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February 4, 2021 (Agenda)

Local Agency Formation Commission
105 East Anapamu Street
Santa Barbara CA 93101

Resolution Approval for Health Benefits Program for SBLAFCO Employees

Dear Members of the Commission

RECOMMENDATION

It is recommended that the Commission approve the Resolution between Public Employees Medical and Hospital Care Act (PEMHCA) administered by CalPERS and Santa Barbara Local Agency Formation Commission (SBLAFCO).

DISCUSSION

LAFCO requested participation in CalPERS Health Benefits Program Coverages for eligible employees. These medical benefits would be offered to LAFCO employees provided through CalPERS. The Commission authorized this application at your January 14, 2021 meeting.

CalPERS advised the LAFCO Executive Officer that the Health Resolution and Compliance team has confirmed our eligibility for suite of health coverages offered effective April 1, 2021, upon submittal of enrollment forms. The attached document is needed to complete these benefit changes. Ancillary benefits are provided by individual policies and are included in the reimbursement agreement at the allocation amounts.

Attachment

Attachment A - Resolution Authorizing Participation in PEMHCA Health Benefits Program

Please contact the LAFCO office if you have any questions.

Sincerely,



Mike Prater
Executive Officer

Commissioners: Roger Aceves ♦ Cynthia Allen ♦ Jay Freeman ♦ Craig Geyer ♦ Joan Hartmann ♦ Steve Lavagnino
Holly Sierra ♦ Shane Stark ♦ Etta Waterfield, Chair ♦ Roger Welt, Vice-Chair ♦ Das Williams **Executive Officer:** Mike Prater

RESOLUTION NO. Number
ELECTING TO BE SUBJECT TO THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT
AT AN UNEQUAL AMOUNT FOR EMPLOYEES AND ANNUITANTS

- WHEREAS, (1) A contracting agency meeting the eligibility requirements set forth in Government Code Section 22920, may obtain health benefit plan(s), as defined under Government Code Section 22777, by submitting a resolution to the Board of Administration of the California Public Employees' Retirement System (the "Board"), and upon approval of such resolution by the Board, become subject to the Public Employees' Medical and Hospital Care Act (the "Act"); and
- WHEREAS, (2) Santa Barbara Local Agency Formation Commission is a contracting agency eligible to be subject to the Act under Government Code Section 22920; and
- WHEREAS, (3) Government Code Section 22892(a) provides that a contracting agency subject to the Act shall fix the amount of the employer contribution by resolution; and
- WHEREAS, (4) 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
- WHEREAS, (5) Government Code Section 22892(c) provides that, notwithstanding Section 22892(b), a contracting agency may establish a lesser monthly employer contribution for annuitants than for employees, provided that the monthly employer contribution for annuitants is annually increased to equal an amount not less than the number of years the contracting agency has been subject to this subdivision multiplied by five percent of the current monthly employer contribution for employees, until the time that the employer contribution for annuitants equals the employer contribution paid for employees; and
- WHEREAS, (6) Santa Barbara Local Agency Formation Commission desires to obtain for its employees and annuitants the benefit of the Act and to accept the liabilities and obligations of an employer under the Act; now, therefore, be it
- RESOLVED, (a) Santa Barbara Local Agency Formation Commission elects to be subject to the provisions of the Act; and be it further
- RESOLVED, (b) That the employer contribution for each employee 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 PEMHCA Minimum per month, plus administrative fees and Contingency Reserve Fund assessments; and be it further
- RESOLVED, (c) That the employer contribution for each annuitant 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 \$1.00 per month; and be it further

RESOLVED, (d) That the monthly employer contribution for annuitants is annually increased to equal an amount not less than the number of years the contracting agency has been subject to this subdivision multiplied by five percent of the current monthly employer contribution for employees, until the time that the employer contribution for annuitants equals the employer contribution paid for employees;

And that the contributions for employees and annuitants shall be in addition to those amounts contributed by the Public Agency for administrative fees and to the Contingency Reserve Fund; and be it further

RESOLVED, (e) Santa Barbara Local Agency Formation Commission 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, (f) That the participation of the employees and annuitants of Santa Barbara Local Agency Formation Commission 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 Santa Barbara Local Agency Formation Commission 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; and be it further

RESOLVED, (g) That the executive body appoint and direct, and it does hereby appoint and direct, Mike Prater, Executive Officer to file with the Board a verified copy of this resolution, and to perform on behalf of Santa Barbara Local Agency Formation Commission all functions required of it under the Act; and be it further

RESOLVED, (h) That coverage under the Act be effective on April 1, 2021.

Adopted at a regular/virtual meeting of the Santa Barbara Local Agency Formation Commission, this 4th day of February, 2021.

Signed: _____
Etta Waterfield, Chair

Attest: _____
Jacquelyne Alexander, Clerk