

BOARD OF SUPERVISORS
EL DORADO COUNTY

2010 MAY 13 AM 11:05

Development Services Dept.
2850 Fair Lane Court
Placerville, CA 95667

May 13, 2010

Board of Supervisors
330 Fair Lane
Placerville, CA 95667

COPY SENT TO BOARD MEMBERS
FOR THEIR INFORMATION

DATE 5/13/10
DIST 1-5
File

Subject: 660 Percent Increase in Health Insurance Employee Contribution

Dear Board Members:

On April 27, 2010, your Board approved on consent a 14.5 percent increase in health insurance premiums for the County's Health Benefit program. I am certain you were unaware of the unintended consequence to a very small percentage of County employees that resulted.

On Monday of this week, open enrollment packets were distributed by Risk Management. As a Confidential employee, my required contribution increases from \$12.42 per pay period to \$94.43 (employee, plus one). This amounts to an increase per paycheck of approximately \$82 or 660 percent.

Confidential employees are categorized for health insurance contributions along with Unrepresented Management, Elected Official and Department Head units. With the County Salary Schedule as my reference, I averaged the hourly pay rates for the above classifications, excluding Confidential employees. The average step 5 hourly rate of pay for these classifications is \$54.78. These classifications also receive 80 hours per year of Management Leave which can be cashed out if not used. Excluding the 80 hours per year of Management Leave: The gross effect of this rate increase is a 1.27 percent decrease in earnings for these classifications. Of course, cashing out Management Leave to offset the cost would be an option.

In sharp contrast, the average step 5 salary rate for employee classifications listed on the salary schedule as "CO" for confidential is \$23.24. Confidential employees receive 32 hours of Special Leave which cannot be exchanged for pay. The gross effect is an average 4.5 percent decrease in earnings, 2.5 times the decrease of the other classifications. This is truly an unfair burden to employees on the lower end of the wage scale. Confidential employees such as myself are forced to offset this reduction in income by suspending deferred compensation contributions, canceling life insurance for family members, securing additional part-time employment and taking other drastic measures.

Salary rates for Confidential employees align with members of the Local One and OE3 bargaining units, whose bi-weekly contributions will increase \$12.00 (18.63 percent) for individual coverage, \$21.80 (18.08 percent) for employee plus one and \$30.60 (18.64 percent) for family coverage. As an Executive Assistant, Step 3, I earn \$18.26 per hour. A 660 percent in health insurance costs represents a significant salary decrease of nearly 6 percent. This salary decrease is in addition to 5 percent salary reductions resulting from furloughs of the past year and a half.

Board of Supervisors
May 13, 2010
Page Two

An Optional Benefits Plan for Confidential employees was designed to compensate this very small group of clerical employees for lack of collective bargaining and absence of representation. Further, it recognizes and compensates for the added responsibilities of our positions which require us to maintain strict confidentiality of personnel, litigation, employee health and other information sensitive to the County.

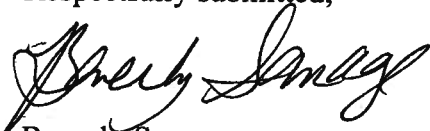
With the Optional Benefits Plan, Confidential employees continue to pay less than Local One and OE3 members for health insurance benefits. My costs as a Confidential employee will be \$94.43 per pay period. Members of Local One and OE3 will pay \$142.40 per pay period for the same coverage. The point I make in this letter and urge your Board to consider is that the Optional Benefits Plan forms part of the compensation package agreed to on acceptance of employment; the Plan compensates for additional responsibilities; historically, the Board has increased the Plan in response to increases in health insurance costs; a 660 percent increase in premium co-pay and the resulting 6 percent decrease in salary is excessive, unprecedented in this County and unfairly targets a very small minority of County employees.

The current Optional Benefits Plan was adopted in December 2001. In July 2002, the Plan was increased to offset health insurance premium increases. Resolution 132-2003, June 2003, adjusted the health insurance premiums for unrepresented employees to offset a 24.4 percent increase in rates (attached). Resolution 158-2005, adopted June 2005, increased the Plan citing increases in health benefits costs (attached).

In the absence of collective bargaining and representation, Confidential employees have historically relied on the Board of Supervisors for fair and judicious oversight of employment and benefits issues. History has proven our faith in the Board to be well-founded.

Today, I strongly urge your Board to follow precedent and take action to increase the Optional Benefits Plan for Confidential employees by \$2,340. This would result in an 18 percent increase in health care costs.

Respectfully submitted,



Beverly Savage
Executive Assistant, Development Services Department

cc: Gayle Erbe-Hamlin, CAO

Attachments:

- Board of Supervisors Resolution 132-2003
- Board of Supervisors Resolution 158-2005
- County Sponsored Health Plans Contribution Rates, Effective July 1, 2009
- County Sponsored Health Plans Contribution Rates, Effective July 1, 2010



RESOLUTION NO. 132-2003

OF THE BOARD OF SUPERVISORS OF COUNTY OF EL DORADO

WHEREAS, in accordance with the El Dorado County Charter Section 210.1(6), the Board of Supervisors shall establish the compensation of officers and employees; and

WHEREAS, the Board of Supervisors has previously established and amended a Salary and Benefits Resolution for Unrepresented Employees; and

WHEREAS, recent claims experience in the County self-funded Health Plan necessitates a 24.4% increase in rates; and

WHEREAS, staff has apprised department heads and met with representatives of unrepresented administrative management and confidential employees and Deputy County Counsels regarding the rate increase;

NOW THEREFORE BE IT RESOLVED, that the Board of Supervisors approve the changes specified below and incorporate such changes into the Salary and Benefits Resolution No. 323-2001, as amended, applicable to unrepresented employees and Deputy County Counsels.

1502. County Medical/Dental Plan

Contribution Levels and Benefits

Effective June 28, 2003, for each eligible Unrepresented Management and Confidential employee and for Deputy County Counsels, the County and employee contributions to the County Plan per pay period will be as follows:

	Contributions thru OBP Credits	Max.Addt'l Co. Contributions	Employee Payroll Deductions
Employee only	\$119.46	\$114.54	\$ 0
Employee + one	173.08	219.68	47.24
Employee + two	173.08	303.87	112.05

The Board of Supervisors reserves the right to implement a fully-insured Plan contingent upon agreement by all bargaining units.

SIGNATURES ON FILE IN HUMAN RESOURCES AND BOARD OFFICES

PASSED AND ADOPTED by the Board of Supervisors of the County of El Dorado at a regular meeting of said Board, held on _____ day of _____, by the following vote of said Board.

Attest:
Dixie L. Foote
Clerk of the Board of Supervisors
by

Ayes:

Noes:

Absent:

Deputy Clerk

Chairman, Board of Supervisors

I certify that the foregoing instrument is a correct copy of the original on file in this office.

Date: _____

Attest: Dixie L. Foote, Clerk of the Board of Supervisors of the County of El Dorado, State of California

By _____
Deputy Clerk



RESOLUTION No. 158-2005

OF THE BOARD OF SUPERVISORS OF THE COUNTY OF EL DORADO

WHEREAS, the Board of Supervisors has previously established and amended a Salary and Benefits Resolution for Unrepresented Employees; and

WHEREAS, in accordance with the El Dorado County Charter Section 210a.(6) the Board of Supervisors shall establish the compensation of officers and employees; and

WHEREAS, in July 2002, the Optional Benefits Plan was amended from \$4,250 per year to \$4,500 per year to purchase benefits included within the Optional Benefit Plan; and

WHEREAS, continued increases in health benefits costs since July 2002 have reduced or eliminated the effectiveness of this benefit.

THEREFORE BE IT RESOLVED, that the Board of Supervisors approve the changes specified below and incorporate such changes into Section 1501 of the Salary and Benefits Resolution #323-2001, as amended, amending the Optional Benefits Plan from \$4,500 to \$6,000 to become effective pay period 14 which begins June 25, 2005.

1501. OPTIONAL BENEFITS PLAN

The County shall provide to each eligible full-time Confidential employee and Unrepresented Management employee (including unrepresented management, executive management, appointed department heads, and elected department heads) a contribution of \$4,250 per fiscal year, prorated over 26 pay periods, toward the purchase of benefits included within the Optional Benefit Plan. Effective July 1, 2002, the County contribution shall be \$4,500 per fiscal year, prorated over 26 pay periods, toward the purchase of benefits included within the Optional Benefit Plan. Effective June 25, 2005, the County contribution shall be \$6,000 per fiscal year, prorated over 26 pay periods, toward the purchase of benefits included within the Optional Benefit Plan. Unrepresented part-time Management and Confidential employees hired on or after January 1, 1990, shall be eligible for the prorata amounts of contribution specified in Section 1501.6. These benefits are specifically defined in the Optional Benefit Plan. Provisions generally include the following:

A) **El Dorado County Health Care Account** - Eligible Unrepresented Management and Confidential employees may elect to receive medical and dental benefits under the County Optional Benefits Plan.

B) **Supplemental Life Insurance** - An employee eligible under this section as defined in 1501 above may use the Optional Benefit Plan to purchase additional life insurance above that specified in Section 1502, subject to the provisions of the Optional Benefits Plan and respective life insurance plans.

C) **Dependent Care** - An employee eligible under this section may use the Optional Benefit Plan for reimbursing dependent care expenses subject to the provisions of the Optional Benefit Plan.

D) **Unreimbursed Health Care** - An employee eligible under this section may use the Optional Benefit Plan to establish an account for reimbursing uninsured health care expenses subject to the provisions of the Plan.

E) **Cash** - An employee eligible under this section who has elected to receive the employee's optional benefit or portion thereof in cash, may receive cash, which is taxable income, subject to the provision of the Plan.

F) **Part-time Employee** - An Unrepresented Management or Confidential part-time employee, who on December 31, 1989 is being provided with the full Optional Plan benefit as a full-time employee, shall continue to be eligible for the full Optional Benefit Plan benefit.

An Unrepresented Management or Confidential part-time employee who is hired on or after January 1, 1990, and whose regular work schedule as documented on the Payroll Personnel Form is between 64-79 hours per pay period, will be entitled to the same Optional Plan benefit for a full-time employee.

An Unrepresented Management or Confidential part-time employee who is hired on or after January 1, 1990, and whose regular work schedule as documented on the Payroll Personnel Form is between 40-63 hours per pay period, will be entitled to receive 75% of the Optional Plan benefit for a full-time employee.

An Unrepresented Management or Confidential part-time employee who is hired on or after January 1, 1990, and whose regular work schedule as documented on the Payroll Personnel Form is between 34-39 hours per pay period, will be entitled to receive 50% of the Optional Plan benefit for a full-time employee.

An Unrepresented Management or Confidential part-time employee who is hired on or after January 1, 1990, and whose regular work schedule is less than 34 hours per pay period shall not be eligible for participation in the Optional Benefit Plan.

A part-time employee may work additional or fewer hours than the employee's "ongoing" work schedule without change to the level of entitlement based upon the number of hours initially set forth on the Payroll Personnel Form prorata contribution. The prorata entitlement level may only be changed by amending the Payroll Personnel Form which documents a change to the ongoing work schedule.

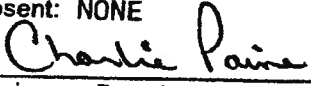
PASSED AND ADOPTED by the Board of Supervisors of the County of El Dorado at a regular meeting of said Board, held on the 7TH day of JUNE, 2005, by the following vote of said Board:

Ayes: SWEENEY, SOLARO, DUPRAY, BAUMANN, PAINE

TEST
CINDY KECK
Clerk of the Board of Supervisors

Noes: NONE
Absent: NONE


Deputy Clerk 6/7/05


Chairman, Board of Supervisors 6/7/05

CERTIFY THAT: THE FOREGOING INSTRUMENT IS A CORRECT COPY OF THE ORIGINAL ON FILE IN THIS OFFICE.

ate _____

TEST: CINDY KECK, Clerk of the Board of Supervisors
of the County of El Dorado, State of California.

Deputy Clerk

COUNTY SPONSORED HEALTH PLANS CONTRIBUTION RATES

Negotiated Rates - Effective July 1, 2009

These rates apply per Bi-Weekly Pay Period for all regular full-time El Dorado County employees regardless of which Plan is elected.

Total Cost (Same for all Units)			
	Employee Only	Employee + 1	Emp. + 2 or more
	\$322.00	\$603.00	\$821.00

General, Professional and Supervisory Units			
	Employee Only	Employee + 1	Emp. + 2 or more
County Contribution	\$257.60	\$482.40	\$656.80
Employee Contribution	\$64.40	\$120.60	\$164.20

Trades & Crafts, Corrections, and Probation Units			
	Employee Only	Employee + 1	Emp. + 2 or more
County Contribution	\$257.60	\$482.40	\$656.80
Employee Contribution	\$64.40	\$120.60	\$164.20

Deputy Sheriff Unit			
	Employee Only	Employee + 1	Emp. + 2 or more
County Contribution	\$183.03	\$346.63	\$481.89
Employee Contribution	\$138.97	\$256.37	\$339.11

Note: Employees in these Units receive \$158 per Pay Period in Optional Benefits Plan credits, which can be used offset employee contributions.

Represented Management			
	Employee Only	Employee + 1	Emp. + 2 or more
County Contribution	\$190.90	\$359.81	\$504.15
Employee Contribution	\$131.10	\$243.19	\$316.85

Note: Employees in these Units receive Optional Benefits Plan credits which can be used offset employee contributions. The amount is \$6000 per year, or 230.77 per Pay Period.

Unrepresented Management, Criminal Attorney, County Counsel, Confidential, Elected Official, and Department Head Units			
	Employee Only	Employee + 1	Emp. + 2 or more
County Contribution	\$190.90	\$359.81	\$504.15
Employee Contribution	\$131.10	\$243.19	\$316.85

Note: Employees in these Units receive Optional Benefits Plan credits each Pay Period that can be used offset employee contributions. The amount is \$6000 per year, or \$230.77 per Pay Period.

COUNTY SPONSORED HEALTH PLANS CONTRIBUTION RATES

Published Rate - Effective July 1, 2010

These rates apply per Bi-Weekly Pay Period for all regular full-time El Dorado County employees regardless of which Plan is elected.

Total Cost (Same for all Units)			
	Employee Only	Employee + 1	Emp. + 2 or more
	\$382.00	\$712.00	\$974.00

General, Professional and Supervisory Units			
	Employee Only	Employee + 1	Emp. + 2 or more
County Contribution	\$305.60	\$569.60	\$779.20
Employee Contribution	\$76.40	\$142.40	\$194.80

Trades & Crafts, Corrections, and Probation Units			
	Employee Only	Employee + 1	Emp. + 2 or more
County Contribution	\$305.60	\$569.60	\$779.20
Employee Contribution	\$76.40	\$142.40	\$194.80

Deputy Sheriff Unit			
	Employee Only	Employee + 1	Emp. + 2 or more
County Contribution	\$200.77	\$384.27	\$518.35
Employee Contribution	\$181.23	\$327.73	\$455.65

Note: Employees in these Units receive \$158 per Pay Period in Optional Benefits Plan credits, which can be used offset employee contributions.

Represented Managers Association, Criminal Attorney, Deputy County Counsel, and Law Enforcement Managers Association			
	Employee Only	Employee + 1	Emp. + 2 or more
County Contribution	\$205.22	\$386.80	\$541.96
Employee Contribution	\$176.78	\$325.20	\$432.04

Note: Employees in these Units receive Optional Benefits Plan credits which can be used offset employee contributions. The amount is \$6000 per year, or 230.77 per Pay Period.

Unrepresented Management, Confidential, Elected Official, and Department Head Units			
	Employee Only	Employee + 1	Emp. + 2 or more
County Contribution	\$205.22	\$386.80	\$541.96
Employee Contribution	\$176.78	\$325.20	\$432.04

Note: Employees in these Units receive Optional Benefits Plan credits each Pay Period that can be used offset employee contributions. The amount is \$6000 per year, or \$230.77 per Pay Period.