

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 15

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**TO:** VCE Board of Directors

**FROM:** George Vaughn, Director of Finance & Internal Operations

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

**DATE:** February 13, 2020

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#### Recommendation

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

#### Background

VCE currently contributes up to \$1,000 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., \$750). The employee is responsible for any premiums due for VCEA coverage(s) that are in excess of the VCEA contribution amount.

The current VCE policy also states that employees become eligible for medical, dental and vision insurance on the first of the month after the employee has completed 30 days of service with VCE. (E.g., if an employee starts work for VCE on January 15, 2020, the employee would become benefits eligible on March 1, 2020).

However, to remain competitive in the recruiting and retention of high-caliber energy industry employees VCE has determined that a higher contribution amount and more rapid eligibility will make us more competitive in the CCA recruiting process and provide higher retention and satisfaction – at a minimal cost to VCE.

Staff recommends that the \$1,000 per month be increased to \$1,650 per month. This is the approximate amount to cover an employee plus two dependents on a standard Kaiser Gold plan for 2020, including dental and vision.

Staff also recommends that employees become eligible for medical, dental and vision insurance on the first of the month after the employee has started employment with VCE. (E.g., if an employee starts work for VCE on January 15, 2020, the employee would become benefits eligible on February 1, 2020).

These changes bring us closer in line with other comparative entities, including other CCA's surveyed and SMUD. Out of four companies surveyed, the approximate range of employer covered contributions and similar benefits is in the \$1,200 to \$3,000 range. Three out of the four surveyed entities exceed the \$1,650 staff is proposing.

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 VCEA'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 VCEA's medical, dental, and vision insurance coverage. Each employee becomes eligible on the first of the month after the employee has ~~completed 30 days of continuous~~started employment with VCEA. VCEA will contribute up to ~~\$1,000~~\$1,650 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., ~~\$750~~\$1,237.50). 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.)

**Attachment**

1. Resolution

**VALLEY CLEAN ENERGY ALLIANCE**

**RESOLUTION NO. 2020-\_\_\_**

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

**WHEREAS**, the Valley Clean Energy Alliance (“VCE”) is a joint powers agency established under the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.) (“Act”), and pursuant to a Joint Exercise of Powers Agreement Relating to and Creating the Valley Clean Energy Alliance between the County of Yolo (“County”), the City of Davis (“Davis”), the City of Woodland and the City of Winters (“Cities”) (the “JPA Agreement”), to collectively study, promote, develop, conduct, operate, and manage energy programs;

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

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

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

**WHEREAS**, the current Employee Handbook needs to be updated to reflect benefits eligibility date; and,

**WHEREAS**, in order to be 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 (July 2019), Insurance Benefits** (page 34), **Medical, Dental and Vision Insurance** (2<sup>nd</sup> 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 ~~completed 30 days of continuous~~ started employment with VCEA. VCEA will contribute up to ~~\$1,000~~ \$1,650 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., **\$750 \$1,237.50**. 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 \_\_\_\_\_ 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Don Saylor, VCE Chair

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Alisa M. Lembke, VCE Board Secretary