

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF JULY 22, 2009

REGULAR MEETING

TO: Francesca Loftis, Chair, and
Members of the El Dorado County Local Agency Formation
Commission

FROM: José C. Henríquez, Executive Officer

**AGENDA ITEM #2D: AMEND THE PERSONNEL POLICIES & PROCEDURES TO
CORRECT THE INADVERTENT EXCLUSION OF "IN LIEU OF
HEALTH CARE" EMPLOYEE BENEFIT**

RECOMMENDATION

Staff recommends that the Commission amend the LAFCO Personnel Policies & Procedures to correct the inadvertent exclusion of "In Lieu of Health Care" stipend provided to employees who waive participating in the LAFCO health care and dental programs.

REASON FOR RECOMMENDED ACTION

The Commission approved providing a health insurance in lieu stipend to employees in March 2002. This benefit was inadvertently excluded when the LAFCO Personnel Policies & Procedures were drafted and adopted by the Commission in June 2008. Amending your policies corrects this oversight.

BACKGROUND

In March 2002, the Commission approved providing a \$4,500 stipend to employees who waived participating in the LAFCO health and dental insurance programs. This benefit was offered because it was a win-win for the agency and its employees. For employees who receive medical benefits through their spouse, the stipend provides an incentive not to have double coverage and instead use that money for out-of-pocket medical expenses. For the agency, it saves a significant amount of money because it does not have to pay the employer portion of health benefits. The savings are substantial: in Fiscal Year 2008-09 the agency saved approximately \$10,000 by one employee utilizing the stipend and waiving medical benefits.

Earlier in July, staff caught that this in lieu stipend was inadvertently excluded from the package of benefits approved by the Commission in June 2008 when it adopted the LAFCO Personnel Policies & Procedures (Personnel P&P). Staff recommends adding the following language to a new subsection D to Section 3.1 – “Insurance and Other Benefits” under Part 3 – “Benefits”. The Personnel P&P is Appendix F to your Commission’s Policies and Guidelines and is included in the Commissioner Binder CD provided in May 2009:

D. In Lieu of Medical Coverage

Eligible regular full-time LAFCO employees who waive coverage under the LAFCO health and dental insurance programs are eligible to receive a stipend of \$4,500, prorated over 26 pay periods, to help offset out-of-pocket medical expenses. Regular part-time employees are also eligible for this benefit on the following pro-rated basis: 70% of the stipend if their regular schedule is 20 hours or more but less than 32 hours a week; 40% of the stipend if their regular schedule is less than 20 hours a week.

As noted above, this benefit is not new and adding it to the Personnel P&P merely institutionalizes how this benefit has been administered up to now.