STAFF REPORT FOR CALENDAR ITEM NO. : 12
FOR THE MEETING OF: December 8, 2011

TRANSBAY JOINT POWERS AUTHORITY

BRIEF DESCRIPTION: Approve the following resolutions to remove Local Government Services (LGS) as an intermediary for benefits and payroll between the TJPA and TJPA staff:

- Final Resolution to approve a Contract with CalPERS to provide the same retirement benefits on the same terms currently provided to employees of the TJPA,
- Resolution Authorizing Employer Paid Member Contributions for CalPERS retirement benefits to continue the employer pickup of employee contributions made to CalPERS under LGS,
- Two Resolutions Electing to be Subject to the Public Employees' Medical and Hospital Care Act—one to contract with CalPERS for medical benefits for TJPA employees and future retirees, and one to offer the ability for survivors of a deceased TJPA employee to continue health coverage at their cost if the employee passes away prior to eligibility for retirement, and
- Resolution transferring existing employee agreements from LGS as intermediary to TJPA as employer of record, on identical employment terms.

SUMMARY:

- TJPA has been contracting with LGS since 2003 to provide human resources services to the TJPA for a negotiated administrative fee. These services have included providing and administering employee benefits, and processing payroll for the TJPA. TJPA has grown in that time from one employee to thirteen, and now has the staffing capacity to manage human resources. By removing LGS as an intermediary, becoming its own employer of record, and directly managing human resources, the TJPA will save approximately $94,000 per year, without any increase in the cost of employee benefits and payroll to the TJPA, and without any decrease in benefits and payroll to staff.
- The TJPA depends upon a small but valued staff to carry out its stated mission, vision and goals. Staff should experience a seamless transition to the TJPA as their employer of record. To avoid potential violation of the Contract Clauses of the federal and state constitutions, which prohibit impairment of contracts, the benefits to employees under the new arrangement should remain the same as the benefits they are currently receiving under LGS.
- Under this transition, all terms of employment will remain the same. As employees of LGS, TJPA staff are currently members of the CalPERS retirement system and are also able to enroll in CalPERS medical benefit programs. Additionally, premiums for dental, vision, and disability coverages are currently paid by the employer. By removing LGS as intermediary, TJPA staff will continue as members of the CalPERS retirement system and medical benefit programs, on identical terms. The transition will have no fiscal impact on the TJPA budget approved by the Board in June 2011 as there is no change in employer contribution for retirement or medical benefits. There are no changes to salary levels due to this transition; salary increases result from TJPA's standard performance evaluation procedures and may not

exceed the budget approved by the Board each fiscal year. Employment agreements will be amended solely to replace LGS as the intermediary employer with the TJPA.

- As stated in the November 10 staff report and above, there is no anticipated change in costs due to this transition. Benefit levels and associated costs remain the same as they have been under LGS. It is important to note that TJPA's budget for salaries and benefits is only 2.08% of the overall Phase I Program budget of $1.589 billion, and the agency has never spent the fully budgeted amount in any fiscal year.

Fiscal Year	Budgeted Salaries	Actual Salaries	Budgeted Benefits	Actual Benefits	Total Budget	Total Actual	% Spent
2003-04	$243,313	$176,047	$98,979	$50,541	$342,292	$226,588	66%
2004-05	$495,000	$400,541	$197,457	$144,403	$692,457	$544,944	79%
2005-06	$879,725	$503,646	$351,314	$155,752	$1,231,039	$659,398	54%
2006-07	$1,118,000	$616,412	$451,000	$177,419	$1,569,000	$793,831	51%
2007-08	$1,141,600	$989,077	$428,400	$281,579	$1,570,000	$1,270,656	81%
2008-09	$1,818,000	$1,387,257	$616,200	$407,566	$2,434,200	$1,794,823	74%
2009-10	$1,770,000	$1,427,513	$595,000	$435,584	$2,365,000	$1,863,097	79%
2010-11	$1,858,000	$1,606,142	$627,000	$458,810	$2,485,000	$2,064,952	83%
				Totals	**$12,688,988**	**$9,218,289**	**73%**

- This transition is planned to take effect on January 1, 2012.

EXPLANATION:

Retirement
At the November 10 meeting, the Board approved the Resolution of Intention to contract with CalPERS and the Resolution Authorizing Employer "Pick-up" of Employee Contributions. The attached Final Resolution and contract and Resolution Authorizing Employer Paid Member Contributions are the second step in this process.

To retain the same retirement benefits for staff at the same cost, TJPA will enter into a contract directly with CalPERS for staff retirement benefits. Following the November 10 meeting, staff was required to vote, by secret ballot, their approval or disapproval of a new contract directly with CalPERS. Because employees are not covered by Social Security, they also made an individual election, required by CalPERS, as to whether or not to participate in the Fourth Level 1959 Survivor Benefit. 1959 Survivor Benefits provide a monthly allowance, in amounts specified by law, to certain survivors of members who were covered for the benefit. The required documentation including the resolution of intention, election certifications, ballots and a summary listing of employees for 1959 Survivor Benefits have been returned to CalPERS.

The retirement benefits CalPERS provides to staff are a function of the size of the TJPA. As an agency with less than 100 members, TJPA is required to be part of a CalPERS risk pool. Risk pooling is the process of combining assets and liabilities across employers to produce large risk sharing pools. Such risk sharing pools dramatically reduce or eliminate the large fluctuations in an employer's retirement contribution rate caused by unexpected demographic events. CalPERS has created risk pools based on benefits and membership (safety or miscellaneous employees). Pooled plans at CalPERS share assets within the pool.

Under the new direct contract with CalPERS, TJPA staff will be in the same Miscellaneous 2%@55 pool as staff is currently under LGS, and as are more than 500 cities; towns; school, special, transit and utility districts; and other small governmental agencies, including Contra Costa Transportation Authority, San Francisco County Transportation Authority, Solano Transportation Authority, Sonoma Marin Area Rail Transit District, and Western Contra Costa Transit Authority. Nearly 200 of these agencies pick up their employees' required contribution. By way of comparison, BART also offers a 2%@55 plan through CalPERS, although they are large enough that they are not in a risk pool. BART picks up employee contributions for both their miscellaneous and their safety employees. Several other comparable local agencies are in the 2.5%@55 pool: Association of Bay Area Governments, the new Alameda County Transportation Commission, and the Bay Area Water Emergency Transportation Authority. The Metropolitan Transportation Commission also offers a 2.5%@55 plan through CalPERS, although like BART they are large enough that they are not in a risk pool. MTC currently picks up 7% of employee contributions for their employees.

As noted in the November 10, 2011 staff report, CalPERS has performed an actuarial study to determine the TJPA's initial required employer contribution rate. The study was based upon transferring the current LGS employees to a new TJPA contract with identical benefits at the 2%@55 formula, limiting prior service credit to members employed on the conversion date, and a one year final compensation calculation. Per the study, the required employer contribution rate the TJPA would pay for fiscal year 2012-13 is 10.3%, the same as it has been for LGS. CalPERS will conduct new valuations annually, reviewing the pool's assets and liabilities to determine if the pool is ahead, behind, or on schedule to pay the benefits that will become due to its retirees, survivors, and beneficiaries. Through this annual valuation process, the agency's employer contribution rate will be established for each fiscal year. The required employer contribution includes the Normal Cost (i.e., the future annual premiums for active employees) and the Accrued Liability (i.e., the current value of the benefits for all credited past service of current members) and hence covers the Annual Required Contribution (ARC). Thus, TJPA will not report a net pension obligation (NPO). The employee contribution for local miscellaneous members in the 2%@55 pool is 7% as set by statute.

When an agency joins the pool, a side fund is created to account for the difference between the funded status of the pool and the funded status of the agency's plan. The side fund is to be amortized on an annual basis and will disappear at the end of the amortization period. The TJPA's side fund was $(3,527) at June 30, 2011. The TJPA may pay this in one lump sum payment once it has contracted with CalPERS, rather than amortizing it over three years. This will have the effect of lowering the employer contribution rate by an estimated 0.062%.

Health Benefits

TJPA staff currently have health insurance benefits from CalPERS through LGS, under the Public Employees' Medical and Health Care Act (PEMHCA). The proposed benefit program is intended to provide continuity in benefits for employees to retain valued and valuable staff. All agencies contracting with CalPERS for health benefits in the 16-county Bay Area have the same monthly premiums—the premiums for TJPA would be identical to the premiums under LGS. Accordingly, there would be no budgetary or other fiscal impact to the TJPA for the transition of providing health benefits from LGS to the TJPA.

With thirteen employees, TJPA cannot command competitive rates in the market for health insurance. CalPERS is the largest health purchaser in California and the second largest in the nation. It covers nearly 1.3 million active and retired state, local government and school employees and their family members. Accordingly, CalPERS can negotiate cost-effective contracts directly with major medical insurance providers. CalPERS engages directly with the health care marketplace and partners with their health plan providers to drive innovation, ensure quality and contain costs.

CalPERS' Health Program charges the lowest administrative fee in the state, 0.36% of premiums. They have an online enrollment and billing system for employers and offer free training for agency benefits officers. There are currently three health maintenance organization (HMO) plans and three preferred provider organization (PPO) plans for employees to choose from. CalPERS has negotiated multi-year contracts with its providers, and is developing disease management programs, among other measures to contain overall health care costs.

To facilitate the transition from LGS to the TJPA, the attached resolution provides that the TJPA elects to be subject to PEMHCA and contribute an equal amount towards health benefit costs for employees and, in the future, retirees. The amount of the contribution shall be the amount set forth by law in California Government Code (GC) 22892, which is $112 per month per employee/retiree in 2012, the same contribution that TJPA would pay under the contract with LGS.

As has been LGS policy, TJPA will contribute up to $570 per month per employee for health benefits for an employee only, $1,140 for an employee + 1, and $1,400 for families, through a cafeteria plan. This is not in addition to but includes the PEMHCA-required minimum monthly contribution per GC 22892, and will assist employees in covering the balance of the cost of health insurance. The amount provided through the cafeteria plan is sufficient to cover the premium for the Kaiser HMO or two of the three PPO plans for the employee only and employee + 1, and covers the premium cost for two of the three PPO plans for families. Employees eligible for health benefits who can provide proof of medical insurance through a spouse or domestic partner are eligible to receive the alternate medical benefit of $570 per month as compensation.

Contracting with CalPERS also requires providing health benefits to retirees, or annuitants. To be eligible for retiree health benefits, an employee must retire directly from TJPA into CalPERS with five or more years of service with TJPA and meet the statutory eligibility requirements. Three employees hired prior to January 1, 2007, have employment agreements that include a contribution towards the annuitant's medical premium equal to that of the active 'employee only' contribution. All other future annuitants will receive the PEMHCA-required minimum contribution rate. This rate is set by CalPERS for each year; as noted above it is $112 per month in 2012. CalPERS requires that premium costs be deducted directly from the retiree's monthly retirement check under the CalPERS pension plan. In the future, when a TJPA employee retires, the TJPA would reimburse them for the deduction, up to the amount provided for by their individual employment agreement. This is identical to the annuitant health benefit that would have been provided under LGS.

To comply with Governmental Accounting Standards Board requirements, TJPA will begin accounting for other post-employment benefits (OPEB) per GASB standards in the current fiscal year. An actuarial study will be conducted to determine the annual required contribution (ARC) and most likely an irrevocable trust will be set up to fund it. Many local agencies, including the Association of Bay Area Governments, Metropolitan Transportation Commission, San Francisco Bay Area Water Emergency Transportation Authority, San Francisco Redevelopment Agency, San Francisco County Transportation Authority, and San Mateo County Transit District contract with CalPERS to participate in the California Employers' Retiree Benefit Trust Fund to prefund future retiree health. The TJPA will be researching this as well as other options. This cost will be included in future annual budgets.

Also attached is a second "survivorship" resolution related to health coverage, allowing family members of a deceased TJPA employee (who passes away before becoming eligible for retirement) to elect health coverage from CalPERS. TJPA would pay the monthly premium on behalf of the family member(s) and the family member(s) would reimburse the TJPA. Accordingly, there would be no fiscal impact to the TJPA. If a family member did not reimburse TJPA for the premium cost, TJPA could cancel the coverage and the family member would not be able to re-enroll.

The attached resolutions for retirement and PEMHCA have been provided by CalPERS. CalPERS does not allow changes to the text of the resolutions.

Other Benefits

As with retirement and health benefits, the proposal for dental, vision, basic life/accidental death, short and long term disability insurance will make the transition from LGS to the TJPA as seamless as possible for employees. Insurance premiums for dental, vision, basic life/accidental death, and short and long term disability are currently fully paid by LGS. To assist in the transition from LGS to the TJPA, LGS recommended Wells Fargo Insurance Services, Inc. (formerly ABD Insurance), a benefits broker used by LGS for the TJPA. ABD Insurance was a well-known local firm prior to its acquisition by Wells Fargo in 2007. They offer strategic benefits planning, aggressive cost control, employee education regarding benefits, and legal compliance and benefits administration expertise. The Wells Fargo team has assisted TJPA staff in identifying providers of insurance for dental, vision, basic life/accidental death, and short and long term disability. For all but dental coverage, the recommended provider would remain the same as under LGS. For dental coverage, Wells Fargo recommends a provider offering better coverage for a lesser premium than would be required to maintain a level of coverage equal to that provided by LGS. TJPA will incur significantly lower premiums for short and long term disability insurance. In sum, there is no overall fiscal impact to the TJPA budget for these benefits, and benefit costs will be within the fiscal year budget approved by the Board.

TJPA will also continue to offer employees the opportunity to participate in a Flexible Spending Account (FSA) to set aside pre-tax dollars for eligible medical and dependent care expenses. LGS is also offering employees the ability to enroll in a Section 132 Transit Account to set aside pre-tax dollars for commute expenses for the first time in 2012; the TJPA would offer an identical benefit. Both of these programs have nominal costs as they are primarily paid through deductions from the wages of participating employees.

LGS benefits also include an Employee Assistance Program (EAP), offering confidential counseling regarding work and personal issues to employees and their families. ADP, the company that TJPA will be outsourcing payroll processing to, offers an EAP at no charge to the TJPA. ADP services will also include HR consulting resources to top management, similar to the service currently provided by LGS, but at less cost.

ENCLOSURES:

1. Benefits Summary
2. Final Resolution to Approve a Contract Between CalPERS and the TJPA (for retirement benefits; contract attached to resolution)
3. Resolution Authorizing Employer Paid Member Contributions
4. Resolution Electing to be Subject to PEMHCA and Fixing the Employer's Contribution at an Amount Equal to or Greater Than That Prescribed by Government Code Section 22892(b) (for health benefits)
5. Resolution Electing to be Subject to Section 22819.1 of PEMHCA, Electing Health Coverage for Family Members of a Deceased Employee
6. Resolution transferring existing employee agreements from LGS as intermediary to TJPA as employer of record

TJPA BENEFITS SUMMARY – TRANSITION FROM LGS TO TJPA

Benefit	Current	Proposed	Fiscal Impact
Retirement	2% @ 55 formula with single highest year formula; agency pays employee contribution pursuant to Government Code Section 20691	No change	$0
Retiree Health	**Hired Prior to 1/1/07:** Vested upon five years of PERS service, must retire from agency. Pays equivalent of active 'employee only' employer contribution ($570 in 2012). **Hired after 1/1/07:** Vested upon five years of PERS service, must retire from agency. Pays employee only at minimum level prescribed by Government Code Section 22892(b) ($112 in 2012)	No change	$0
Health (Active Employees)	Agency pays up to $570 per month (employee only), $1,140 (employee +1), $1,400 (employee +2) towards CalPERS health premiums. If employee's selected coverage exceeds these amounts, employee pays difference. Alternate medical benefit of $550 if covered by spouse or domestic partner.	No change	$0
Dental, Vision, Life	Dental, Vision, Basic Life, Accidental Death & Dismemberment, Short and Long Term Disability (STD, LTD) fully paid by employer	No change	Additional net cost of less than $250 per year: significant savings in STD, LTD premiums. offset dental premium that is slightly higher than current, but less than amount that would be required to maintain current level of dental coverage (LGS has a lower dental premium due to higher number of employees)
Voluntary Life	Not offered	Optional benefit fully paid by	$0

		employee	
Pre-tax Savings Accounts	Medical, dependent care and transit; contributions fully paid by employee with nominal enrollment charges covered by employer	No change	$0
Employee Assistance Program (EAP)	Premium covered by employer	No change for employees; service included from payroll provider (ADP) at no additional cost	Savings of $1,375 per year

TRANSBAY JOINT POWERS AUTHORITY

RESOLUTION AUTHORIZING A CONTRACT

No. ____________

WHEREAS, the Public Employees' Retirement Law provides for the participation of a Public Agency in the California Public Employees' Retirement System, making its employees members of said System; and

WHEREAS, the Board of Directors of the Transbay Joint Powers Authority on ______________________________, ______, adopted a Resolution giving notice of intention to approve a contract providing for such participation; and

WHEREAS, the employees of said public agency, whose memberships in said Retirement System are contemplated, have approved said participation, by majority vote;

NOW, THEREFORE, BE IT RESOLVED, that a contract between the Board of Directors of the Transbay Joint Powers Authority and the Board of Administration, California Public Employees' Retirement System is hereby authorized, a copy of said contract being attached hereto and by such reference made a part hereof as though herein set out in full; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the presiding officer of said governing body is hereby authorized, empowered and directed to execute said contract for and on behalf of said public agency.

Adopted this ________ day of ___________________________, ______.

____
Presiding Officer

Attest:

____
Clerk or Secretary

CalPERS

California
Public Employees' Retirement System

CONTRACT

Between the
Board of Administration
California Public Employees' Retirement System
and the
Board of Directors
Transbay Joint Powers Authority

In consideration of the covenants and agreement hereafter contained and on the part of both parties to be kept and performed, the governing body of above public agency, hereafter referred to as "Public Agency", and the Board of Administration, Public Employees' Retirement System, hereafter referred to as "Board", hereby agree as follows:

1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 55 for local miscellaneous members.

2. Public Agency shall participate in the Public Employees' Retirement System from and after JANUARY 1, 2012 making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.

3. Public Agency agrees to indemnify, defend and hold harmless the California Public Employees' Retirement System (CalPERS) and its trustees, agents and employees, the CalPERS Board of Administration, and the California Public Employees' Retirement Fund from any claims, demands, actions, losses, liabilities, damages, judgments, expenses and costs, including but not limited to interest, penalties and attorneys fees that may arise as a result of any of the following:

   (a) Public Agency's election to provide retirement benefits, provisions or formulas under this Contract that are different than the retirement benefits, provisions or formulas provided under the Public Agency's prior non-CalPERS retirement program.

   (b) Public Agency's election to amend this Contract to provide retirement benefits, provisions or formulas that are different than existing retirement benefits, provisions or formulas.

   (c) Public Agency's agreement with a third party other than CalPERS to provide retirement benefits, provisions, or formulas that are different than the retirement benefits, provisions or formulas provided under this Contract and provided for under the California Public Employees' Retirement Law.

   (d) Public Agency's election to file for bankruptcy under Chapter 9 (commencing with section 901) of Title 11 of the United States Bankruptcy Code and/or Public Agency's election to reject this Contract with the CalPERS Board of Administration pursuant to section 365, of Title 11, of the United States Bankruptcy Code or any similar provision of law.

   (e) Public Agency's election to assign this Contract without the prior written consent of the CalPERS' Board of Administration.

   (f) The termination of this Contract either voluntarily by request of Public Agency or involuntarily pursuant to the Public Employees' Retirement Law.

(g) Changes sponsored by Public Agency in existing retirement benefits, provisions or formulas made as a result of amendments, additions or deletions to California statute or to the California Constitution.

4. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:

   a. Employees other than local safety members (herein referred to as local miscellaneous members).

5. Any exclusion(s) shall remain in effect until such time as the Public Employees' Retirement System determines that continuing said exclusion(s) would risk a finding of non-compliance with any federal tax laws or regulations. If such a determination is contemplated, the Public Employees' Retirement System will meet with the Public Agency to discuss the matter and coordinate any required changes or amendments to the contract.

   In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:

   a. SAFETY EMPLOYEES.

6. This contract shall be a continuation of the contract of the transit function of Local Government Services Authority, A Joint Powers Authority, hereinafter referred to as "Former Agency". The accumulated contributions, assets and liability for prior and current service under the Former Agency's contract shall be merged pursuant to Section 20508 of the Government Code. Such merger occurred January 1, 2012.

   a. All benefits provided under this contract shall apply to all past service for former employees of the transit function of the Former Agency.

7. The percentage of final compensation to be provided for each year of credited prior and current service as a local miscellaneous member shall be determined in accordance with Section 21354 of said Retirement Law (2% at age 55 Full).

8. Public Agency elects to be subject to the following optional provisions:

   a. Section 20042 (One-Year Final Compensation).

   b. Section 20938 (Limit Prior Service to Members Employed on Contract Date).

9. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members of said Retirement System.

10. Public Agency shall also contribute to said Retirement System as follows:

    a. Contributions required per covered member on account of the 1959 Survivor Benefits provided under Section 21574 of said Retirement Law. (Subject to annual change.) In addition, all assets and liabilities of Public Agency and its employees shall be pooled in a single account, based on term insurance rates, for survivors of all local miscellaneous members.

    b. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.

    c. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.

11. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.

12. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

BOARD OF ADMINISTRATION PUBLIC EMPLOYEES' RETIREMENT SYSTEM	BOARD OF DIRECTORS TRANSBAY JOINT POWERS AUTHORITY
BY____________________ KAREN DE FRANK, CHIEF CUSTOMER ACCOUNT SERVICES DIVISION PUBLIC EMPLOYEES' RETIREMENT SYSTEM	BY____________________ PRESIDING OFFICER
	____________________ Witness Date Attest: ____________________ Clerk

TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS

Resolution No. _____________

WHEREAS, The Transbay Joint Powers Authority (TJPA) Board of Directors has the authority to implement California Government Code Section 20691, allowing a contracting agency to pay all or a portion of the normal contributions required to be paid by a member; and

WHEREAS, TJPA employees have written employment agreements which specifically provide for the normal member contributions to the California Public Employees Retirement System (CalPERS) to be paid by the employer; and

WHEREAS, One of the steps in the procedures to implement Section 20691 is the adoption by the TJPA Board of a resolution to commence said Employer Paid Member Contributions (EPMC); now, therefore, be it

RESOLVED, That this benefit shall apply to All Employees of the TJPA; and be it

FURTHER RESOLVED, That this benefit shall consist of paying the seven (7) percent normal member contributions as EPMC; and be it

FURTHER RESOLVED, That the effective date of this resolution shall be January 1, 2012.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of December 8, 2011.

____
Secretary, Transbay Joint Powers Authority

RESOLUTION ELECTING TO BE SUBJECT TO THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT AND FIXING THE EMPLOYER'S CONTRIBUTION AT AN AMOUNT EQUAL TO OR GREATER THAN THAT PRESCRIBED BY GOVERNMENT CODE SECTION 22892(b)

WHEREAS, (1) Government Code Section 22922(a) provides the benefits of the Public Employees' Medical and Hospital Care Act to employees and annuitants of local agencies contracting with the Public Employees' Retirement System on proper application by a local agency; and

WHEREAS, (2) Section 22892(a) of the Act provides that a local contracting agency shall fix the amount of the employer's contribution; and

WHEREAS, (3) Transbay Joint Powers Authority, hereinafter referred to as Public Agency, is a local agency contracting with the Public Employees' Retirement System; and

WHEREAS, (4) The Public Agency 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 and Regulations; now, therefore, be it

RESOLVED, (a) That the Public Agency elect, and it does hereby elect, to be subject to the provisions of the Act; and be it further

RESOLVED, (b) That the employer's contribution for each employee or 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 or plans up to a maximum of $112 dollars per month, as adjusted under Government Code Section 22892, plus administrative fees and Contingency Reserve Fund assessments; and be it further

RESOLVED, (c) That Transbay Joint Powers Authority 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, (d) That the executive body appoint and direct, and it does hereby appoint and direct, the Executive Director to file with the Board of Administration of the Public Employees' Retirement System a verified copy of this Resolution, and to perform on behalf of said Public Agency all functions required of it under the Act and Regulations of the Board of Administration; and be it further

RESOLVED, (e) That coverage under the Act be effective on January 1, 2012.

Adopted at a regular/special meeting of the Transbay Joint Powers Authority at San Francisco, California, this 8th day of December, 2011.

Signed: ______________________________
(TJPA Board Chair)

Attest: ______________________________
(TJPA Board Secretary)

RESOLUTION ELECTING TO BE SUBJECT TO SECTION 22819.1
OF THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT
(RESOLUTION ELECTING HEALTH COVERAGE FOR
FAMILY MEMBERS OF A DECEASED EMPLOYEE)

WHEREAS, (1) Government Code Section 22922(a) provides the benefits of the Public Employees' Medical and Hospital Care Act to employees of local agencies contracting with the Public Employees Retirement System; and

WHEREAS, (2) Transbay Joint Powers Authority, hereinafter referred to as Contracting Agency, is a local agency contracting with the Public Employees' Retirement System under the Act; and

WHEREAS, (3) The Contracting Agency desires to obtain for its employees the benefit of Section 22819.1 and accepts the liabilities and obligations of a contracting agency under the Section; and

WHEREAS, (4) Government Code Section 22819.1 provides certain additional benefits to employees of local agencies contracting under the Act upon proper application; now, therefore, be it

RESOLVED, (a) That the Contracting Agency elects, and it does hereby elect, to be subject to the provisions of Section 22819.1 of the Government Code.

Adopted at a regular/special meeting of the Transbay Joint Powers Authority at San Francisco, California, this 8th day of December, 2011.

Signed: ______________________________
(TJPA Board Chair)

Attest: ______________________________
(TJPA Board Secretary)

TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS

Resolution No. _____________

WHEREAS, When the Transbay Joint Powers Authority (TJPA) began operating as an independent entity in 2003, it contracted with Local Government Services (LGS), a joint powers agency, to provide benefits administration, payroll, and related human resource services to TJPA; and

WHEREAS, TJPA will realize savings of nearly $94,000 per year by removing LGS as an intermediary; handling its own benefits administration, payroll, and related human resource services; and becoming its own employer of record; and

WHEREAS, TJPA staff have employment agreements with LGS that set forth conditions and benefits of employment; and

WHEREAS, Staff conditions and benefits of employment would not change under this transition; and

WHEREAS, The TJPA Board values the TJPA's small but dedicated staff and recognizes that the proposed transition to the TJPA as employer will result in significant savings to the TJPA in administrative fees; and

WHEREAS, The proposed transition from LGS to TJPA will have no fiscal impact on the TJPA's budget; now, therefore, be it

RESOLVED, That TJPA employee agreements shall be amended solely to remove LGS as the intermediary on behalf of the TJPA and substitute the TJPA for LGS as the employer.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of December 8, 2011.

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Secretary, Transbay Joint Powers Authority