

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Board Members

C. April Boling
Chairman

Greg Cox
Mark Kersey
Robert T. Lloyd
Paul McNamara
Paul Robinson
Johanna S. Schiavoni
Michael Schumacher
Mark B. West

EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE MEETING and SPECIAL BOARD MEETING *

AGENDA

Thursday, January 23, 2020
9:00 A.M.

San Diego International Airport
SDCRAA Administration Building -- Third Floor
Board Room
3225 N. Harbor Drive
San Diego, CA 92101

Ex-Officio Board Members

Gustavo Dallarda
Col. Charles B. Dockery
Gayle Miller

President / CEO

Kimberly J. Becker

This Agenda contains a brief general description of each item to be considered. The indication of a recommended action does not indicate what action (if any) may be taken. If comments are made to the Committee without prior notice or are not listed on the Agenda, no specific answers or responses should be expected at this meeting pursuant to State law. ***Please note that agenda items may be taken out of order.***

Staff Reports and documentation relating to each item of business on the Agenda are on file in Board Services and are available for public inspection.

***NOTE:** This Committee Meeting also is noticed as a Special Meeting of the Board to (1) foster communication among Board members in compliance with the Brown Act; and (2) preserve the advisory function of the Committee.

Board members who are not members of this Committee may attend and participate in Committee discussions. Since sometimes more than a quorum of the Board may be in attendance, to comply with the Brown Act, this Committee meeting also is noticed as a Special Meeting of the Board.

To preserve the proper function of the Committee, only members officially assigned to this Committee are entitled to vote on any item before the Committee. This Committee only has the power to review items and make recommendations to the Board. Accordingly, this Committee cannot, and will not, take any final action that is binding on the Board or the Authority, even if a quorum of the Board is present.

PLEASE COMPLETE A "REQUEST TO SPEAK" FORM PRIOR TO THE COMMENCEMENT OF THE MEETING AND SUBMIT IT TO THE AUTHORITY CLERK. ***PLEASE REVIEW THE POLICY FOR PUBLIC PARTICIPATION IN BOARD AND BOARD COMMITTEE MEETINGS (PUBLIC COMMENT) LOCATED AT THE END OF THE AGENDA.***

CALL TO ORDER:

PLEDGE OF ALLEGIANCE:

ROLL CALL:

Committee Members: Boling, Cox, Kersey, Schiavoni (Chair)

NON-AGENDA PUBLIC COMMENT:

Non-Agenda Public Comment is reserved for members of the public wishing to address the Committee on matters for which another opportunity to speak **is not provided on the Agenda**, and which is within the jurisdiction of the Committee. Please submit a completed speaker slip to the Authority Clerk. ***Each individual speaker is limited to three (3) minutes. Applicants, groups and jurisdictions referring items to the Board for action are limited to five (5) minutes.***

Note: Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Committee.

NEW BUSINESS:

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the August 29, 2019 regular meeting.

2. HEALTH AND WELFARE BENEFITS PROGRAM UPDATE:

Presented by: Joy Freeman, Manager, Safety & Wellness and Jesus Mendoza, Associate Director, Willis Towers Watson

CLOSED SESSION:

3. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:

Cal. Gov. Code §54957
Title: President/Chief Executive Officer

4. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:

Cal. Gov. Code §54957
Title: General Counsel

5. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:

Cal. Gov. Code §54957
Title: Chief Auditor

REPORT ON CLOSED SESSION:

COMMITTEE MEMBER COMMENTS:

ADJOURNMENT:

Policy for Public Participation in Board, Airport Land Use Commission (ALUC), and Committee Meetings (Public Comment)

- 1) Persons wishing to address the Board, ALUC, and Committees shall complete a "Request to Speak" form prior to the initiation of the portion of the agenda containing the item to be addressed (e.g., Public Comment and General Items). Failure to complete a form shall not preclude testimony, if permission to address the Board is granted by the Chair.
- 2) The Public Comment Section of the agenda is reserved for persons wishing to address the Board, ALUC, and Committees on any matter for which another opportunity to speak is not provided on the Agenda, and on matters that are within the jurisdiction of the Board.
- 3) Persons wishing to speak on specific items listed on the agenda will be afforded an opportunity to speak during the presentation of individual items. Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board, ALUC and Committees.
- 4) If many persons have indicated a desire to address the Board, ALUC and Committees on the same issue, then the Chair may suggest that these persons consolidate their respective testimonies. Testimony by members of the public on any item shall be limited to **three (3) minutes per individual speaker and five (5) minutes for applicants, groups and referring jurisdictions.**
- 5) Pursuant to Authority Policy 1.33 (8), recognized groups must register with the Authority Clerk prior to the meeting.
- 6) After a public hearing or the public comment portion of the meeting has been closed, no person shall address the Board, ALUC, and Committees without first obtaining permission to do so.

Additional Meeting Information

NOTE: This information is available in alternative formats upon request. To request an Agenda in an alternative format, or to request a sign language or oral interpreter, or an Assistive Listening Device (ALD) for the meeting, please telephone the Authority Clerk's Office at (619) 400-2400 at least three (3) working days prior to the meeting to ensure availability.

For your convenience, the agenda is also available to you on our website at www.san.org.

For those planning to attend the Board meeting, parking is available in the public parking lot located directly in front of the Administration Building. Bring your ticket to the third floor receptionist for validation.

You may also reach the Administration Building by using public transit via the San Diego Metropolitan Transit System, Route 992. The MTS bus stop at Terminal 1 is a very short walking distance from the Administration Building. ADA paratransit operations will continue to serve the Administration Building as required by Federal regulation. For MTS route, fare and paratransit information, please call the San Diego MTS at (619) 233-3004 or 511. For other Airport related ground transportation questions, please call (619) 400- 2685.

DRAFT
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE MEETING MINUTES
THURSDAY, AUGUST 29, 2019
BOARD ROOM

CALL TO ORDER: Chair Desmond called the Executive Personnel and Compensation Committee meeting to order at 10:01 a.m., on Thursday, August 29, 2019, in the Board Room of the San Diego International Airport, Administration Building, 3225 N. Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE: Board Member Kersey led the Pledge of Allegiance.

ROLL CALL:

Present: Committee Members: Boling, Desmond (Chair), Kersey

 Board Members: Schiavoni

Absent: Committee Members: Cox

Also Present: Kimberly Becker, President/CEO; Lee Kaminetz, Director, Counsel Services; Tony R. Russell, Director, Board Services/Authority Clerk; Martha Morales, Assistant Authority Clerk I

NON-AGENDA PUBLIC COMMENT: None.

NEW BUSINESS:

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the May 30, 2019 regular meeting.

ACTION: Moved by Board Member Boling and seconded by Board Member Kersey to approve staff's recommendation. Motion carried unanimously, noting Board Member Cox as ABSENT.

2. UPDATE TO THE COMPENSATION PHILOSOPHY & STRUCTURE:

Kurt Gering, Director, Talent, Culture & Capability; and Andy Welt, Director & Head of Compensation Consulting Division, Marsh & McLennan, provided a presentation on the Update to the Compensation Philosophy and Structure that included Project Objectives, Assuring an Effective Compensation Philosophy - Guiding Principles, Overall Summary, the Proposed Market-based Approach, Unrepresented Compensation Structure, Timeline to Implementation, Cost Analysis, and Recommendation Summary.

Chair Desmond requested that the same Percentile Rank by Pay Element chart be brought back to track results after implementation.

Kimberly J. Becker, President/CEO, stated that it is important to note that there is no intention on reducing salaries and that we are trying to keep base salaries in-line with the market and adjust the base salaries between the 50th and 75th percentile.

RECOMMENDATION: Forward this item to the Board with a recommendation for approval.

ACTION: Moved by Board Member Kersey and seconded by Board Member Boling to approve staff's recommendation. Motion carried unanimously, noting Board Member Cox as ABSENT.

3. **RENEWAL OF THE HEALTH & WELFARE BENEFITS PROGRAM FOR 2020:** Kurt Gering, Director, Talent, Culture & Capability; and Heather Hill, Associate Director, Willis Towers Watson, provided a presentation on the Renewal of the Health and Welfare Benefits Program for 2020 that included Medical Plan Enrollment, Executive Summary, Active & Budgeted Employees Cost Summary, Active & Budgeted Medical Plan Designs, Employee Wellness, Medical Renewal Premium Cost Share, Renewal Analysis – Retirees, Active, Budgeted & Retiree Plan Designs, Dental, Voluntary Vision, Total Cost per Covered Employee per Year, and Authority Budget Summary.

RECOMMENDATION: Forward this item to the Board with a recommendation for approval.

ACTION: Moved by Board Member Kersey and seconded by Board Member Boling to approve staff's recommendation. Motion carried unanimously, noting Board Member Cox as ABSENT.

COMMITTEE MEMBER COMMENTS: None.

ADJOURNMENT: The meeting was adjourned at 10:54 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE THIS 23RD DAY OF JANUARY, 2020.

STEPHANIE ALEXANDER
ACTING DIRECTOR,
TALENT, CULTURE AND CAPABILITY

ATTEST:

TONY R. RUSSELL
DIRECTOR, BOARD SERVICES/
AUTHORITY CLERK



SAN DIEGO
INTERNATIONAL AIRPORT
LET'S **GO.**

HEALTH & WELFARE BENEFITS PROGRAM UPDATE

Presented by:

Joy Freeman | Manager, Wellness & Safety

Jesus Mendoza | Associate Director, Willis Towers Watson

January 23, 2020



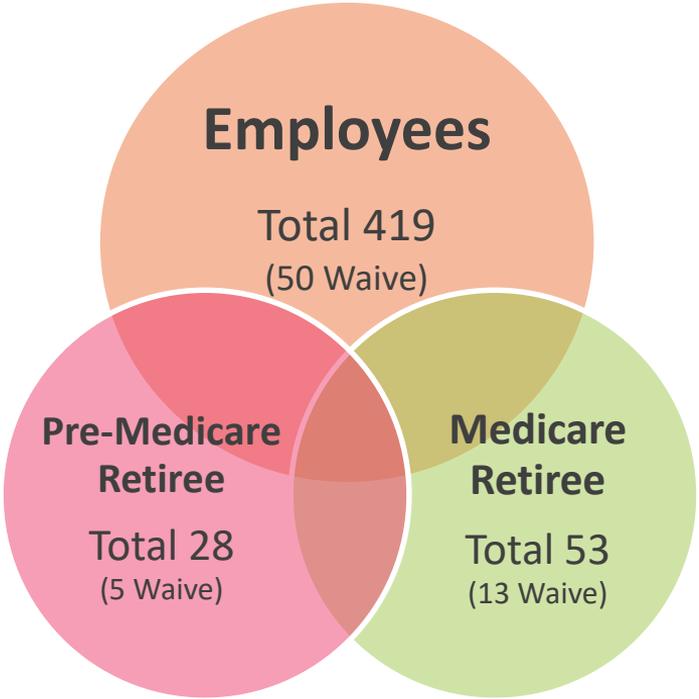
Agenda

- Programs Overview
- 2020 Enrollments
- Wellness
- Healthcare Reform Updates
- Retiree Programs

Health & Welfare Benefits Programs

	Active Employees	Pre-Medicare Retirees	Medicare Enrolled Retirees
Medical	Blue Shield (HMO, HMO Trio, PPO, HDHP)	Blue Shield (HMO, HMO Trio, PPO, HDHP)	United Healthcare (Medicare Advantage Plan)
Dental – DHMO / PPO	Offered	Offered	Offered
Vision – PPO	Offered	Offered	Offered
Basic Life / AD&D	Offered	Offered	Offered
Employee Assistance Program (EAP)	Offered	Offered	Offered
Health Advocate	Offered	Offered	Offered
Other Ancillary	Disability, FSA, HSA		
Voluntary	Long Term Care, Legal, Identity Theft, Auto & Home, Pet		

Population





Employee Program

419 Active Only



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INTERNATIONAL AIRPORT.
LET'S GO.

Authority Only Budget Summary

Authority Paid Premium Costs: Active and Budgeted Employee Only

Description	Current CY 2019	Anticipated Costs CY 2020	CY Budgeted 2020 Costs	\$ Difference Between Anticipated and Budgeted	% Difference Between Anticipated and Budgeted
Medical ¹ Includes HSA Fund (\$750/\$1500) Includes vacant positions ²	\$4,722,250	\$5,015,031	\$5,335,302	\$320,271	6.0%
Dental ³	\$349,455	\$351,570	\$330,118	(\$21,452)	-6.5%
Credits (Med, Den, Vis) ⁴	\$64,992	\$64,512	\$64,992	\$480	0.7%
Ancillary lines (Life, Disability, Health Advocate) ⁵	\$294,270	\$308,196	\$287,095	(\$21,101)	-7.3%
TOTAL	\$5,430,968	\$5,739,309	\$6,017,507	\$278,198	4.6%

¹Medical cost includes waiver credit of \$41.67 per pay period (50)

²Calculated at Wellness Rate

³Dental cost includes waiver credit of \$2.42 per pay period (27)

⁴Employee credits (funded by SDCRAA) include the following:

\$4 per pay period for all enrolled in employee only Medical (224)

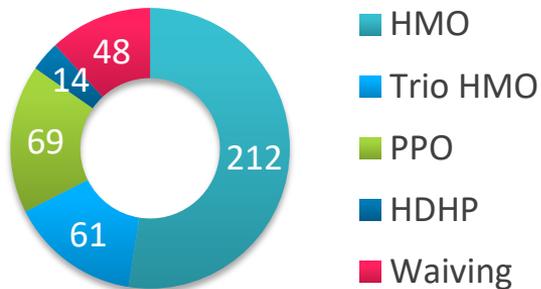
\$4 per pay period vision credit for all eligible regardless of enrollment (448)

⁵Voluntary Lines (Voluntary Life/AD&D, Voluntary Long Term Disability, Aflac, Long Term Care & Vision), EAP, FSA/COBRA Fees excluded.

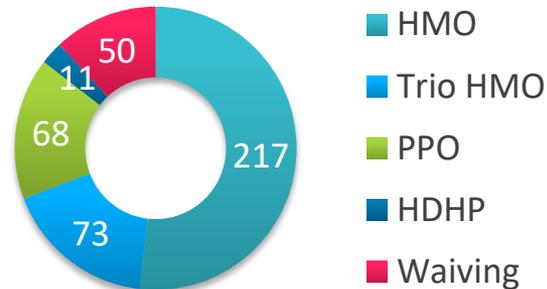
NOTE: Variance is the result of census at time of budget development. Blue Shield Renewal includes \$35k wellness / integration implementation fund.

2020 Medical Enrollments

2019 Plan Year



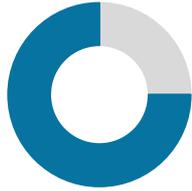
2020 Plan Year



- There are 15 more benefit eligible employees in the 2020 plan year
- There was an additional shift into the Trio HMO plan of 12 employees. The majority appear to have come from the PPO and HDHP plans.

419 Total Employees (Active Only)

2020 Dental Plan Enrollments



75%|PPO

314 Employees enrolled in the dental DPPO plan



19%|DHMO

78 Employees enrolled in the dental DHMO plan

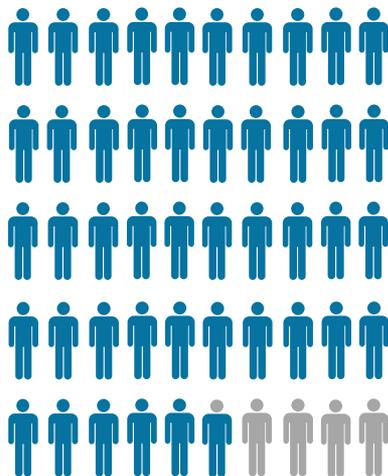


6%|Waive

27 Employees elected to waive dental enrollment

419 Total Employees (Active Only)

Wellness Participation



91.6% | Employees enrolled in medical are participating in wellness

Incentives:

- Differential (reduction) equivalent to 5% of the individual premium cost
- \$250 Flexible Spending Account (FSA)/Health Savings Account (HSA)/457 Deferred Compensation Plan deposit

Healthcare Reform

Requirement	Legislative Cost
Fully Insured Fee Funds federal and state marketplaces/exchanges	2020: Fee reintroduced at 2.1%
Further Consolidated Appropriations Act 2020 (H.R. 1865) - includes significant changes for employer-provided retirement, health and other benefit programs	<ul style="list-style-type: none">• Cadillac tax, medical device tax and health insurance issuer tax have been repealed• Patient-Centered Outcomes Research Institute (PCORI) fee has been extended to 2029• Extends a tax credit for employers that provide qualifying paid family leave to employees



Retiree

53 Medicare Enrolled

28 Pre-Medicare

2020 Medical Enrollments

Pre-Medicare Retirees (28)



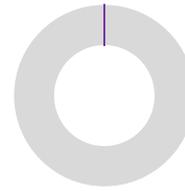
46% | Blue Shield PPO

13 pre-Medicare retirees (under age 65) elected PPO coverage



36% | Blue Shield HMO

10 pre-Medicare retirees (under age 65) enrolled elected HMO coverage



0% | Blue Shield Trio HMO

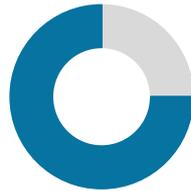
0 pre-Medicare retiree (under age 65) enrolled elected Trio HMO coverage



18% | Waive

5 pre-Medicare retiree (under age 65) waived coverage

Medicare Enrolled Retirees (53)



75% | United Healthcare Medicare Advantage Plan

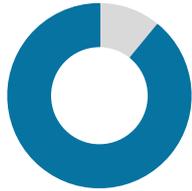
40 Medicare retirees are enrolled



25% | Waive

13 Medicare eligible retirees have waived coverage

2020 Dental Enrollments



89%|PPO

72 total retirees enrolled
in the dental DPPO plan



6%|DHMO

5 total retirees enrolled
in the dental DHMO plan



5%|Waive

4 total retirees elected to
waive dental enrollment

28 Pre-Medicare Retirees/ 53 Medicare Enrolled Retirees

Questions?

