

Executive Personnel and Compensation Committee and Special Board Meeting Agenda

Thursday, August 26, 2021
9:00 A.M.

San Diego International Airport
SDCRAA Administration Building
3225 N. Harbor Drive
San Diego, California 92101

Board Members

Gil Cabrera (Chair)
Paul Robinson (Vice Chair)
Catherine Blakespear
Mary Casillas Salas
Robert T. Lloyd
Paul McNamara
Johanna Schiavoni
Nora E. Vargas
Marni von Wilpert

Ex-Officio Board Members

Col. Thomas Bedell
Gustavo Dallarda
Gayle Miller

President/CEO

Kimberly J. Becker

This meeting of the Executive Personnel and Compensation Committee of the San Diego County Regional Airport Authority Board will be conducted pursuant to the provisions of California Executive Order N-08-21 which suspends certain requirements of the Ralph M. Brown Act. During the current State of Emergency and in the interest of public health, all Board members will be participating in the meeting electronically. In accordance with the Executive Order, there will be no members of the public in attendance at the Board Meeting. We are providing alternatives to in-person attendance for viewing and participating in the meeting. In lieu of in-person attendance, members of the public may submit their comments in the following manner.

Comment on Non-Agenda Items

Public comments on non-agenda items must be submitted to the Authority Clerk at clerk@san.org no later than 4:00 p.m. the day prior to the posted meeting in order to be eligible to be read into the record. The Authority Clerk will read the first 30 comments received by 4:00 p.m. the day prior to the meeting into the record; each of these comments will be read for up to three minutes or for the time determined by the Chair. The maximum number of comments to be read into the record on a single issue will be 16. All other comments submitted, including those received after 4:00 p.m. the day prior and before 8:00 a.m. the day of the meeting, will be provided to the Authority Board and submitted into the written record for the meeting.

Comment on Agenda Items

Public comment on agenda items may be submitted to the Authority clerk at clerk@san.org. Comments received no later than 8:00 a.m. on the day of the meeting will be distributed to the Board and included in the record.

If you'd like to speak to the Board live during the meeting, please follow these steps to request to speak:

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- **Step 1:** Fill out the online [Request to Speak Form](#) to speak during the meeting via teleconference. The form must be submitted by 4 p.m. the day before the meeting or by 4:00 p.m. the Friday before a Monday meeting. After completing the form, you'll get instructions on how to call in to the meeting.
- **Step 2:** Watch the meeting via the Webcast located at the following link, <https://www.san.org/Airport-Authority/Meetings-Agendas/Executive-Personnel-Compensation?EntryId=13937>
- **Step 3:** When the Board begins to discuss the agenda item you want to comment on, call in to the conference line, you will be placed in a waiting area. ***Please do not call until the item you want to comment on is being discussed.***
- **Step 4:** When it is time for public comments on the item you want to comment on, Authority Clerk staff will invite you into the meeting and unmute your phone. Staff will then ask you to state your name and begin your comments.

How to Watch the Meeting

You may also view the meeting online at the following link: <https://www.san.org/Airport-Authority/Meetings-Agendas/Executive-Personnel-Compensation?EntryId=13937>

Requests for Accessibility Modifications or Accommodations

As required by the Americans with Disabilities Act (ADA), requests for agenda information to be made available in alternative formats, and any requests for disability-related modifications or accommodations required to facilitate meeting participation, including requests for alternatives to observing meetings and offering public comment as noted above, may be made by contacting the Authority Clerk at (619) 400-2550 or clerk@san.org. The Authority is committed to resolving accessibility requests swiftly in order to maximize accessibility.

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. ***Please note that agenda items may be taken out of order.*** If comments are made to the Board 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.

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: Pursuant to Authority Code Section 2.15, all Lobbyists shall register as an Authority Lobbyist with the Authority Clerk within ten (10) days of qualifying as a lobbyist. A qualifying lobbyist is any individual who receives \$100 or more in any calendar month to lobby any Board Member or employee of the Authority for the purpose of influencing any action of the Authority. To obtain Lobbyist Registration Statement Forms, contact the Board Services/Authority Clerk Department.

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CALL TO ORDER:

ROLL CALL:

Committee Members: McNamara, Robinson (Chair), Schiavoni, Vargas

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 Board. 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 March 25, 2021 regular meeting.

2. **RENEWAL OF THE HEALTH & WELFARE BENEFITS PROGRAM FOR 2022:**

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

Presented by: Monty Bell, Director, Talent, Culture & Capability

3. **AMEND SDCERS AMENDED & RESTATED RETIREMENT PLAN & TRUST -FAMILIES FIRST CORONA VIRUS ACT (FFCRA) AND CALIFORNIA SUPPLEMENTAL PAID SICK LEAVE (SPSL) PENSIONABLE EARNINGS & PURCHASABLE SERVICE:**

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

Presented by: Monty Bell, Director, Talent, Culture & Capability

COMMITTEE MEMBER COMMENTS:

ADJOURNMENT:

Executive Personnel and Compensation Committee

Meeting Agenda

Thursday, August 26, 2021

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 submit an email to the Clerk at clerk@san.org 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 submit an email shall not preclude testimony, if permission to address the Board is granted by the Chair.
- 2) The Public Comment Section at the beginning 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.

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) 400-2550 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 SDCRAA Building by using public transit via the San Diego MTS System, Route 992. For route and fare information, please call the San Diego MTS at (619) 233-3004 or 511.

ADJOURNMENT: The meeting was adjourned at 9:48 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE THIS
26TH DAY OF AUGUST, 2021.

MONTY BELL
DIRECTOR,
TALENT, CULTURE AND CAPABILITY

ATTEST:

TONY R. RUSSELL
DIRECTOR, BOARD SERVICES/
AUTHORITY CLERK

Revised 8/25/2021

Item No. 2

Executive Personnel Staff Report

Meeting Date: August 26, 2021

Subject:

Renewal of the Health & Welfare Benefits Program for 2022

Recommendation:

Forward to the Board with a recommendation for approval.

Background/Justification:

The San Diego County Regional Airport Authority ("Authority") provides a comprehensive health and welfare benefits program designed to attract and retain the talent necessary to successfully execute its business strategy and meet its obligations to eligible First-Generation retirees.

For the 2022 plan year, staff is recommending the following.

- Renew current medical carriers with no plan design changes - except as required by state or federal law.
- Renew other existing carriers at no premium increase or plan design changes - except as required by state or federal law.
- The addition of Cross Border Medical Plan option through MediExcel.
- Consolidate the Authority's medical premium contribution strategy by removing the non-wellness tier.
- Remove and repurpose the employee only medical credit of \$8 monthly.
- Repurpose the Authority Premium credit to add future benefits such as Childcare/Eldercare and/or increase Wellness Incentive.

Staff's recommendation results in a 5% increase to active employees and early retirees for medical benefits and no increase for dental or other premiums. There is a 5% increase to the Authority for active employees and early retirees medical coverage and no increase in dental or other premiums. This recommendation further supports the Authority's ability to attract and retain top talent by balancing flexible options to meet individual employee needs while demonstrating fiscal prudence. The table below shows the comparison between the current program, the budgeted and the proposed renewal.

Active and Budgeted

Description	Current	Recommended Renewal	% Change	Budgeted Costs CY 2022	\$ Difference Between Recommended	% Difference Between Recommend
Medical	\$ 4,447,598	\$ 4,683,658	5.3%	\$ 4,917,110	\$ 233,452	4.7%
HSA Funds -Active	\$ 70,500	\$ 70,500	0.0%	\$ 70,500	\$ -	0.0%
Dental	\$ 278,841	\$ 278,845	0.0%	\$ 278,832	\$ (13)	0.0%
Basic Life/AD&D	\$ 65,389	\$ 65,389	0.0%	\$ 92,271	\$ 26,882	29.1%
Short Term Disability	\$ 209,956	\$ 209,956	0.0%	\$ 162,007	\$ (47,949)	-29.6%
Other *	\$ 188,265	\$ 188,265	0.0%	\$ 218,358	\$ 30,093	13.8%
TOTAL	\$ 5,260,549	\$ 5,496,613	4.5%	\$ 5,739,079	\$ 242,466	4.2%

* Includes: Wellness Credits (\$250/\$200 Incentive), Medical and Dental Waiver Credit, General Credits and Employee Assistance Program(EAP)

Fiscal Impact:

Adequate funding for Health and Welfare Benefits Program Renewal is included in the adopted FY 2022 and conceptually approved FY 2023 Operating Expense Budgets within the Salary and Benefits line items.

Authority Strategies/Focus Areas:

This item supports one or more of the following (*select at least one under each area*):

Strategies

- Community Strategy
 Customer Strategy
 Employee Strategy
 Financial Strategy
 Operations Strategy

Focus Areas

- Advance the Airport Development Plan
 Transform the Customer Journey
 Optimize Ongoing Business

Environmental Review:

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.
- C. NEPA: This Board action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

Staff Report

Meeting Date: August 26, 2021

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Application of Inclusionary Policies:

Not Applicable

Prepared by:

Monty Bell
Director of Talent, Culture & Capability



SAN DIEGO
INTERNATIONAL AIRPORT

LET'S **GO.**

Renewal of the Health & Welfare Benefits Program for 2022

Presented by: Monty Bell
Director, Talent, Culture & Capability

August 26, 2021

Agenda

- Highlights
- Current Program
- Financials & Market Study Results
- Recommendations

Highlights

Medical

- Anthem medical renewal released at rate cap +9.5%
- Anthem negotiated 5% medical renewal rate
- UHC 2% decrease
- Overall medical increase 1.9% (includes 3% premium credit)
- No plan design changes (except as required by state or federal law)
- Anthem renewal includes \$35K for Wellness & \$10K for customized communications

All other plans

- No increase to the Authority or employees

Other

- Modernize Benefits Enrollment and Administration for employees & retirees



Current Program



Current Program Overview | Plans & Programs

Shared Cost	100% Employer Paid	100% Employee Paid
<p>Medical</p> <ul style="list-style-type: none"> - Anthem (Active & Early Retirees) <ul style="list-style-type: none"> - Select HMO - Priority Select HMO - Classic PPO - HSA HDHP - UHC (Medicare Retirees) <ul style="list-style-type: none"> - Medicare Advantage PPO 	<p>Life, Disability, EAP</p> <ul style="list-style-type: none"> - Hartford <ul style="list-style-type: none"> - Basic Life/AD&D - Short Term Disability - Employee Assistance Program (EAP) - Health Advocate (Core Advocacy) (Active & Retirees) - Health Advocate (Wellness Platform) (Active) 	<p>Voluntary Coverages (Active & Early Retirees)</p> <ul style="list-style-type: none"> - VSP – Vision - Hartford – Voluntary Term Life/ AD&D - Hartford – Voluntary Long Term Disability - Unum – Long Term Care Insurance <p>Voluntary Coverages– Direct Bill</p> <ul style="list-style-type: none"> - Aflac – Accident/Cancer/Hospital Protection/Specified Health - Legal Shield – Pre-paid Legal coverage - Liberty Mutual – Home & Auto - Nationwide – Pet Insurance
<p>Dental</p> <ul style="list-style-type: none"> - Anthem (Active & Early Retirees) <ul style="list-style-type: none"> - DHMO - PPO 	<p>VEBA R-FHRA (2nd Generation Retirees)</p>	<p>Tax Savings Program</p> <ul style="list-style-type: none"> - Healthcare FSA - Dependent Care FSA - Commuter Transportation

Current Program Overview | Medical Census Summary

Demographics*

Average age and the ratio of male/female employees are key data points in determining your medical and prescription drug claims risk as part of a carrier's rate determination for your plan.

	SDC Regional Airport Authority	Government	West	Small employer (<500)
Average Age	48	44	43	44
% Male	60%	59%	56%	60%
% Female	40%	41%	44%	40%

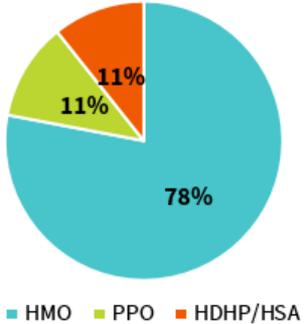
*Excludes Medicare Retirees

# of Employees	434 – active & budgeted (345 enrolled/ 47 waived / 42 budgeted)
# of Retirees	100 – retirees (27 Early Retirees enrolled/15 waived / 3 budgeted/55 Medicare Retirees)

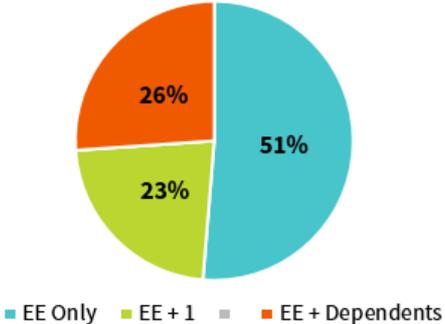
Current Program Overview | Enrollment

Enrollment Summary*

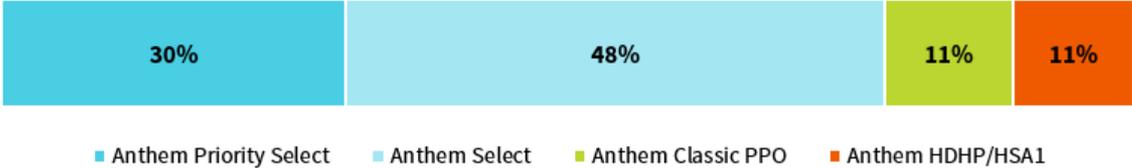
% Enrollment by Plan Type



% Enrollment by Tier



% Enrollment by Plan

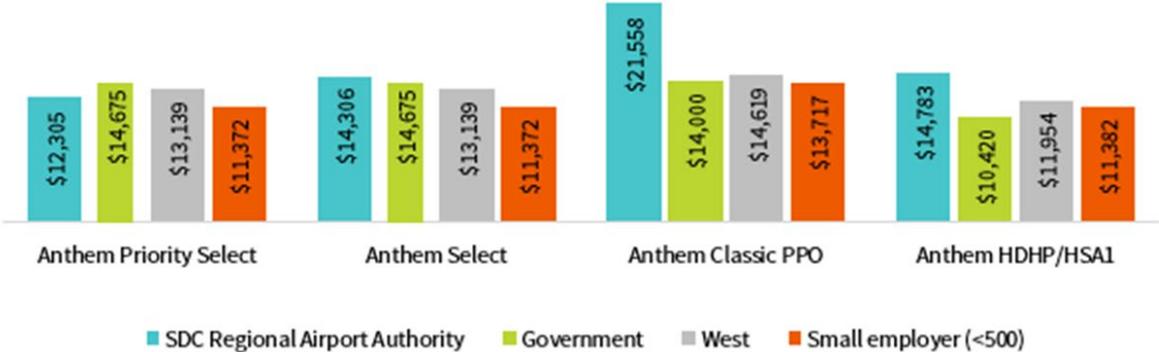


*Excludes Medicare Retirees

Current Program Overview | Annual Premium

Plan Cost – Average Annual Premium by Plan Type*

Average cost per employee is the total gross cost for medical and prescription drug benefits divided by the number of enrolled employees. Amounts include costs for all active employees and their covered dependents.

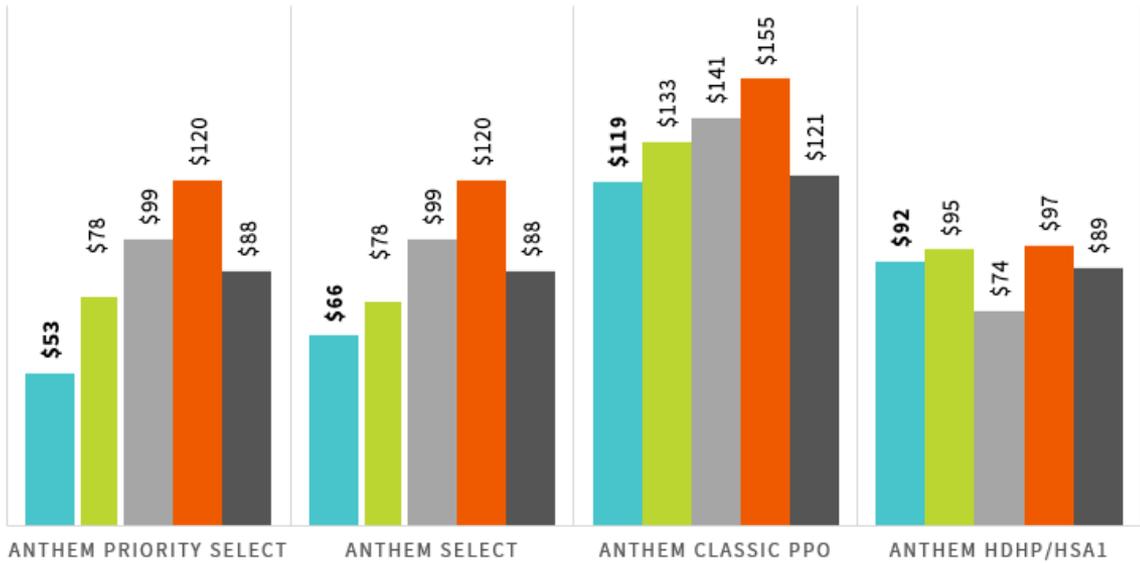


*Excludes Medicare Retirees

Current Program Overview | Employee Cost Share

Employee Only Coverage

■ SDC Regional Airport Authority ■ Government ■ West ■ Small employer (<500) ■ Kaiser Benchmark



*Excludes Medicare Retirees



Executive Summary

Cost Overview

Executive Summary

Active & Budgeted – Authority and Employee Cost Share Overview

Benefit Plans & Credits	Current	Initial Renewal	% Δ	Negotiated Renewal	% Δ
Active & Budgeted \$ Change from current % Change from current	\$6,493,040	\$7,027,455 \$534,415 8.2%		\$6,774,314 \$281,274 4.3%	
Authority Cost \$ Change from current % Change from current	\$5,260,548	\$5,682,932 \$422,384 8.0%		\$5,482,799 \$222,251 4.2%	
Premium Credit \$ Change from current % Change from current				\$177,201 \$45,050 0.9%	
Employee Cost \$ Change from current % Change from current	\$1,232,492	\$1,344,523 \$112,031 9.1%		\$1,291,515 \$59,023 4.8%	

Executive Summary

Retirees – Authority and Retiree Cost Share Overview

Benefit Plans & Credits	Current	Initial Renewal	% Δ	Negotiated Renewal	% Δ
Retirees \$ Change from current % Change from current	\$944,339	\$980,587 \$36,248 3.8%		\$959,682 \$15,343 1.6%	
Authority Cost \$ Change from current % Change from current	\$767,221	\$795,009 \$27,789 3.6%		\$778,717 \$11,496 1.5%	
<p style="text-align: right;">Premium Credit</p> \$ Change from current % Change from current				\$14,633 -\$3,137 -0.4%	
Retiree Cost \$ Change from current % Change from current	\$177,118	\$185,577 \$8,459 4.8%		\$180,965 \$3,847 2.2%	

Medical Renewal | Premium By Product

Anthem – Active & Budgeted

Line Of Coverage Wellness & Non-Wellness	Current	Renewal	Negotiated Renewal	% Δ
Anthem Select HMO	\$2,346,139	\$2,569,021	\$2,463,449	5.0%
Anthem Priority Select HMO	\$1,292,073	\$1,414,818	\$1,356,671	5.0%
Anthem Classic PPO	\$1,440,261	\$1,577,083	\$1,512,277	5.0%
Anthem PPO HDHP	\$546,966	\$598,931	\$574,316	5.0%
TOTAL ANNUAL PREMIUM	\$5,625,439	\$6,159,854	\$5,906,713	
ANNUAL DOLLAR CHANGE		\$534,415	\$281,274	
ANNUAL PERCENTAGE CHANGE		9.5%	5.0%	

Anthem – Early Retirees; UHC – Medicare Retirees

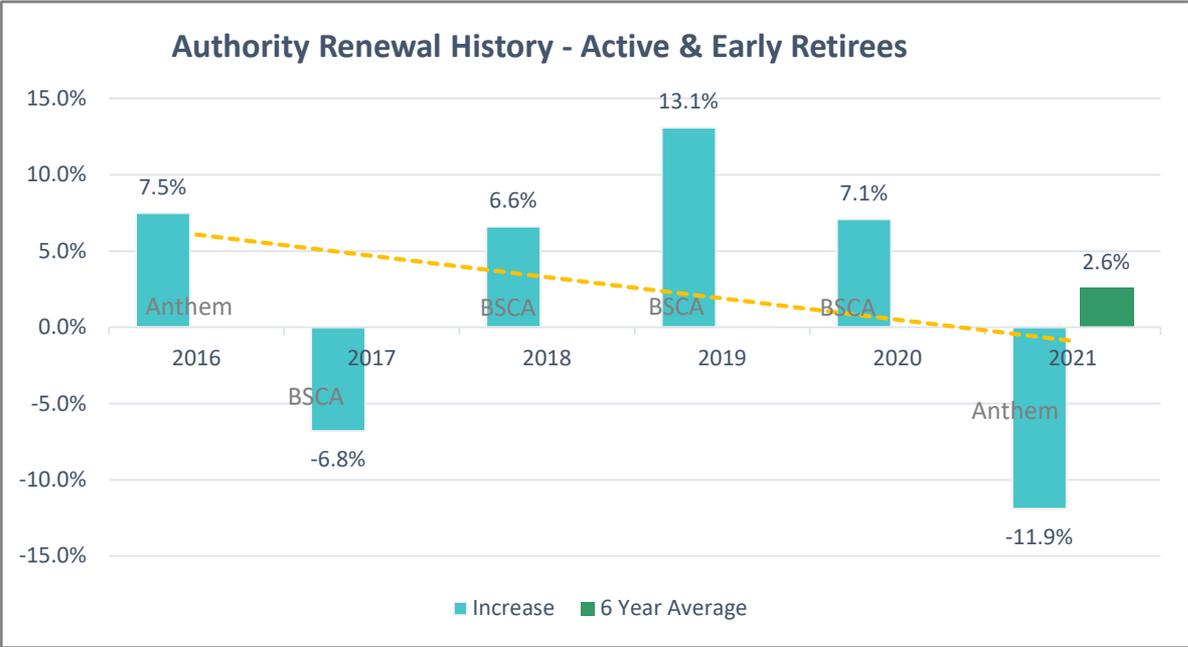
Line of Coverage Early & Medicare Retirees	Current	Renewal	Negotiated Renewal	% Δ
Anthem Select HMO	\$121,325	\$132,850	\$127,391	5.0%
Anthem Priority Select HMO	\$32,254	\$35,319	\$33,867	5.0%
Anthem Classic PPO	\$276,919	\$303,226	\$290,765	5.0%
Anthem PPO HDHP	\$34,048	\$37,283	\$35,751	5.0%
UHC Medicare Retirees	\$394,279	\$386,395	\$386,395	-2.0%
TOTAL ANNUAL PREMIUM	\$858,825	\$895,073	\$874,168	
ANNUAL DOLLAR CHANGE		\$36,248	\$15,343	
ANNUAL PERCENTAGE CHANGE		4.2%	1.8%	

Anthem 5% renewal rate action with a 3% premium credit for an overall renewal increase of 2%

Anthem Premium Credit Concession	Current	Negotiated Renewal	% Δ
Anthem Active+Budgeted Total Medical Premium	\$5,625,439	\$5,906,713	5.0%
Estimated 3% premium credit		\$177,201	
Anthem Retiree Total Medical Premium	\$464,546	\$487,774	5.0%
Estimated 3% premium credit		\$14,633	
Anthem Total Active+Budgeted & Retirees Annual Premium	\$6,089,985	\$6,394,487	5.0%
Anthem Total Estimated 3% premium credit		\$191,835	
		\$6,202,652	
Estimated Total Annual Dollar Change		\$112,667	
Estimated Annual Percentage Change		1.9%	

Medical Overview

Medical Renewal History



- 2022 Negotiated HMO rates are lower than 2019 HMO rates
- 78% are enrolled in the HMO plans

*Does not include UHC Medicare Retirees

Trend Factors (aka medical inflation) represent the rate in which the cost to deliver care and prescription drugs are increasing. This is a key factor in establishing a carrier's renewal as well as a self-funded forecast.

Medical/ Pharmacy Trend								
	HMO		PPO		HDHP		Rx	
	2020	2021	2020	2021	2020	2021	2020	2021
Segal	6.6%	6.3%	7.3%	7.2%	7.2%	7.0%	7.5%	7.1%
merice	3.9%	14.2%	5.2%	6.9%	4.5%	3.2%	6.5%	5.5%

Medical Market Study Results

MEDICAL MARKETING LIST – Active, Budgeted & Early Retirees	
Aetna	Declined: not competitive; +19.5% above current
Anthem	Current
Blue Shield	Declined: group term less than 12 months ago
Cigna	Quoted: +8% above current
Health Net	Declined: not competitive; +20% above current
Kaiser	Declined: not competitive: +40% above current
MediExcel – Cross Border	Quoted
Self-Funded	Future consideration
Sharp	Quoted: -5.5% below current (No PPO)
SIMNSA – Cross Border	Quoted
United Healthcare	Declined: not competitive; +20% over current

MEDICAL MARKETING LIST – Medicare Enrolled Retirees	
UHC	Current: -2%

Medical Contributions | Wellness

Employee Contributions		Current - Wellness			
Active & Budgeted		EE Only 90%			
		EE+Dep 100% / 55% DEP			
		Total	ER Cost	EE Cost	EE %
Anthem Select HMO					
EE Only	73	\$656.52	\$590.87	\$65.65	10.0%
EE+1	35	\$1,378.69	\$1,053.71	\$324.98	23.6%
EE+ Family	41	\$1,969.56	\$1,378.69	\$590.87	30.0%
Annual Premium	149	\$2,123,185	\$1,638,476	\$484,709	22.8%
Anthem Priority Select HMO					
EE Only	43	\$527.03	\$474.33	\$52.70	10.0%
EE+1	22	\$1,106.77	\$845.89	\$260.88	23.6%
EE+ Family	34	\$1,581.10	\$1,106.77	\$474.33	30.0%
Annual Premium	99	\$1,209,224	\$919,631	\$289,592	23.9%
Anthem PPO (Active+Budgeted)					
EE Only	22	\$1,189.51	\$1,070.56	\$118.95	10.0%
EE+1	8	\$2,497.98	\$1,909.17	\$588.81	23.6%
EE+ Family	4	\$3,568.55	\$2,497.98	\$1,070.57	30.0%
Annual Premium	34	\$1,324,640	\$1,125,373	\$199,267	15.0%
Anthem HSA					
EE Only	25	\$915.27	\$823.74	\$91.53	10.0%
EE+1	7	\$1,922.07	\$1,469.01	\$453.06	23.6%
EE+ Family	2	\$2,745.82	\$1,922.07	\$823.75	30.0%
Annual Premium	34	\$501,935	\$416,649	\$85,286	17.0%
HSA Employer Funding		\$64,500	\$64,500	\$0	0.0%
Medical Waiver Credit		\$47,004	\$47,004	\$0	0.0%
MEDICAL TOTAL		405	\$5,270,487	\$4,211,633	\$1,058,854

Negotiated Renewal - Wellness				
EE Only 90%				
EE+Dep 100% / 55% DEP				
Total	ER Cost	EE Cost	EE %	\$Per Pay
\$689.35	\$620.42	\$68.94	10.0%	\$1.64
\$1,447.62	\$1,106.40	\$341.22	23.6%	\$8.12
\$2,068.04	\$1,447.63	\$620.41	30.0%	\$14.77
\$2,229,347	\$1,720,405	\$508,942	22.8%	
5%				
\$553.38	\$498.04	\$55.34	10.0%	\$1.32
\$1,162.10	\$888.18	\$273.92	23.6%	\$6.52
\$1,660.15	\$1,162.10	\$498.05	30.0%	\$11.86
\$1,269,680	\$965,606	\$304,073	23.9%	
5%				
\$1,248.99	\$1,124.09	\$124.90	10.0%	\$2.97
\$2,622.87	\$2,004.62	\$618.25	23.6%	\$14.72
\$3,746.98	\$2,622.88	\$1,124.10	30.0%	\$26.76
\$1,390,875	\$1,181,644	\$209,231	15.0%	
5%				
\$961.04	\$864.94	\$96.10	10.0%	\$2.29
\$2,018.17	\$1,542.46	\$475.71	23.6%	\$11.32
\$2,883.11	\$2,018.18	\$864.93	30.0%	\$20.59
\$527,033	\$437,484	\$89,549	17.0%	
5%				
\$64,500	\$64,500	\$0	0.0%	
\$47,004	\$47,004	\$0	0.0%	
\$5,528,438	\$4,416,643	\$1,111,795		
\$257,951	\$205,010	\$52,941		
4.9%	4.9%	5.0%		

Employee Pay
Check \$
Difference
from current

Medical Contributions

Non-Wellness

Employee Contributions		Current - Non Wellness				Negotiated Renewal - Non Wellness					
		EE Only 85% EE+Dep 100% / 55% DEP				EE Only 85% EE+Dep 100% / 55% DEP					
Active & Budgeted			Total	ER Cost	EE Cost	EE %	Total	ER Cost	EE Cost	EE %*	\$D
Anthem Select HMO		A									
EE Only		7	\$656.52	\$558.04	\$98.48	15.0%	\$689.35	\$585.95	\$103.40	15.0%	\$4.92
EE + 1		3	\$1,378.69	\$1,020.89	\$357.80	26.0%	\$1,447.62	\$1,071.24	\$376.38	26.0%	\$18.58
EE + Family		5	\$1,969.56	\$1,345.87	\$623.69	31.7%	\$2,068.04	\$1,412.47	\$655.57	31.7%	\$31.88
Annual Premium		15	\$222,954	\$164,379	\$58,575	26.3%	\$234,102	\$172,532	\$61,570	26.3%	
							5%				
Anthem Priority Select HMO											
EE Only		2	\$527.03	\$447.98	\$79.05	15.0%	\$553.38	\$470.37	\$83.01	15.0%	\$3.95
EE + 1		1	\$1,106.77	\$819.54	\$287.23	26.0%	\$1,162.10	\$859.95	\$302.15	26.0%	\$14.92
EE + Family		3	\$1,581.10	\$1,080.42	\$500.68	31.7%	\$1,660.15	\$1,133.88	\$526.27	31.7%	\$25.59
Annual Premium		6	\$82,850	\$59,481	\$23,369	28.2%	\$86,992	\$62,428	\$24,564	28.2%	
							5%				
Anthem PPO (Active+Budgeted)											
EE Only		3	\$1,189.51	\$1,011.08	\$178.43	15.0%	\$1,248.99	\$1,061.64	\$187.35	15.0%	\$8.92
EE + 1		1	\$2,497.98	\$1,849.69	\$648.29	26.0%	\$2,622.87	\$1,940.92	\$681.95	26.0%	\$33.66
EE + Family		1	\$3,568.55	\$2,438.51	\$1,130.04	31.7%	\$3,746.98	\$2,559.19	\$1,187.79	31.7%	\$57.75
Annual Premium		5	\$115,621	\$87,857	\$27,763	24.0%	\$121,402	\$92,220	\$29,181	24.0%	
							5%				
Anthem HSA											
EE Only		2	\$915.27	\$777.98	\$137.29	15.0%	\$961.04	\$816.88	\$144.16	15.0%	\$6.87
EE + 1		1	\$1,922.07	\$1,423.25	\$498.82	26.0%	\$2,018.17	\$1,493.31	\$524.86	26.0%	\$26.04
EE + Family		0	\$2,745.82	\$1,876.31	\$869.51	31.7%	\$2,883.11	\$1,969.16	\$913.95	31.7%	\$44.44
Annual Premium		3	\$45,031	\$35,750	\$9,281	20.6%	\$47,283	\$37,525	\$9,758	20.6%	
							5%				
HSA Employer Funding											
			\$6,000	\$6,000	\$0	0.0%	\$6,000	\$6,000	\$0	0.0%	
Medical Waiver Credit											
		0	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	0.0%	

Employee Monthly \$ Difference from current

Medical Contributions | Non-Wellness

Employee Contributions			Model				\$D	
			Negotiated Renewal - Wellness EE Only 90% EE+Dep 100% / 55% DEP					
Active & Budgeted		A	B	Total	ER Cost	EE Cost	EE %	
Anthem Select HMO								
EE Only		7		\$689.35	\$620.42	\$68.94	10.0%	(\$34.47)
EE + 1		3		\$1,447.62	\$1,106.40	\$341.22	23.6%	(\$35.16)
EE + Family		5		<u>\$2,068.04</u>	<u>\$1,447.63</u>	<u>\$620.41</u>	<u>30.0%</u>	(\$35.16)
Annual Premium		15		\$234,102	\$178,803	\$55,299	23.6%	
				0%				
Anthem Priority Select HMO								
EE Only		2		\$553.38	\$498.04	\$55.34	10.0%	(\$27.67)
EE + 1		1		\$1,162.10	\$888.18	\$273.92	23.6%	(\$28.23)
EE + Family		3		<u>\$1,660.15</u>	<u>\$1,162.10</u>	<u>\$498.05</u>	<u>30.0%</u>	(\$28.22)
Annual Premium		6		\$86,992	\$64,447	\$22,545	25.9%	
				0%				
Anthem PPO (Active+Budgeted)								
EE Only		3	0	\$1,248.99	\$1,124.09	\$124.90	10.0%	(\$62.45)
EE + 1		1	0	\$2,622.87	\$2,004.62	\$618.25	23.6%	(\$63.70)
EE + Family		1	0	<u>\$3,746.98</u>	<u>\$2,622.88</u>	<u>\$1,124.10</u>	<u>30.0%</u>	(\$63.69)
Annual Premium		5	0	\$121,402	\$95,997	\$25,404	20.9%	
				0%				
Anthem HSA								
EE Only		2		\$961.04	\$864.94	\$96.10	10.0%	(\$48.05)
EE + 1		1		\$2,018.17	\$1,542.46	\$475.71	23.6%	(\$49.15)
EE + Family		0		<u>\$2,883.11</u>	<u>\$2,018.18</u>	<u>\$864.93</u>	<u>30.0%</u>	(\$49.02)
Annual Premium		3		\$47,283	\$39,268	\$8,015	17.0%	
				0%				
HSA Employer Funding								
				\$6,000	\$6,000	\$0		
Medical Waiver Credit								
		0		\$0	\$0	\$0		

Recommended:

Employee Monthly \$
Difference from
current

Additional Authority
Cost =
\$13,800/Annually

Medical Cross-Border Plan Option

Medical Plan Benefits
Calendar Year Deductible
Annual Out-of-Pocket Maximum
Individual / Family
PCP/Specialist
Inpatient
Outpatient
Emergency Room
Urgent Care Services
Chiropractic Care
Acupuncture Care
PRESCRIPTION DRUGS
Rx Copay Out-of-Pocket Maximum
Retail - Tiers 1-3
Specialty
Minimum Participation Requirement

MediExcel Cross-Border HMO
None
\$2,000 / \$4,000
\$5 / \$10
No Charge
No Charge
15% up to \$200
\$15 Mex / \$35 US
No Coverage
\$10 PCP referral required
Generic / Brand / Non-Formulary
Combined with Medical
\$5 / \$10 / \$15
20% up to \$250
1 Person

MONTHLY RATES

EE Only	0
EE + 1	0
EE + Family	0

Option

EEs	\$215.18
0	\$516.43
0	\$667.05

- **Allow Dependent Only Coverage** – Employee enrolls in U.S. coverage offered and adds dependents to MediExcel
- **Mobile App** – members can manage Medical, Dental, and Vision appointments from their smartphone
- **24-Hour Bilingual Member Services**
- **All Services at One Facility** – video tours available on MediExcel.com
- Only available to active employees per carrier contract

Medical Cross-Border Plan Option

Contribution Model (Actives)

Current - Priority Select HMO						Negotiated Renewal - Priority Select HMO					Option				
Current - Well ness						Negotiated Renewal - Well ness					MediExcel Option				
EE Only 90%						EE Only 90%					EE Only 90%				
EE+Dep 100% / 55% DEP						EE+Dep 100% / 55% DEP					EE+Dep 100% / 55% DEP				
Employee Contributions		Total	ER Cost	EE Cost	EE %	Total	ER Cost	EE Cost	EE %*	\$D	Total	ER Cost	EE Cost	EE %	\$D
Active & Budgeted															
Anthem Priority Select HMO															
EE Only	1	\$527.03	\$474.33	\$52.70	10.0%	\$553.38	\$498.04	\$55.34	10.0%	\$2.64	\$215.18	\$193.66	\$21.52	10.0%	(\$33.82)
EE + 1	1	\$1,106.77	\$845.89	\$260.88	23.6%	\$1,162.10	\$888.18	\$273.92	23.6%	\$13.04	\$516.43	\$380.87	\$135.56	26.2%	(\$138.36)
EE + Family	1	\$1,581.10	\$1,106.77	\$474.33	30.0%	\$1,660.15	\$1,162.10	\$498.05	30.0%	\$23.72	\$667.05	\$463.71	\$203.34	30.5%	(\$294.71)
Annual Premium	3	\$38,579	\$29,124	\$9,455	24.5%	\$40,508	\$30,580	\$9,928	24.5%		\$16,784	\$12,459	\$4,325	25.8%	
						5%					-59%				
MEDICAL TOTAL	3	\$38,579	\$29,124	\$9,455		\$40,508	\$30,580	\$9,928			\$16,784	\$12,459	\$4,325		
<i>Change from current - \$</i>						<i>\$1,929</i>	<i>\$1,456</i>	<i>\$473</i>			<i>-\$21,795</i>	<i>-\$16,665</i>	<i>-\$5,130</i>		
<i>Change from current - %</i>						<i>5.0%</i>	<i>5.0%</i>	<i>5.0%</i>			<i>-56.5%</i>	<i>-57.2%</i>	<i>-54.3%</i>		
										MEDICAL TOTAL	\$16,784	\$12,459	\$4,325		
										<i>Change from negotiated renewal - \$</i>	<i>-\$23,724</i>	<i>-\$18,121</i>	<i>-\$5,603</i>		
										<i>Change from negotiated renewal - %</i>	<i>-58.6%</i>	<i>-59.3%</i>	<i>-56.4%</i>		



Ancillary Overview



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Ancillary Renewal Overview

Line of Coverage	Carrier	Renewal
Dental	Anthem	0% / Rate Guarantee to 2023
Vision (Voluntary)	VSP	0% / Rate Guarantee to 2023
Basic Life and AD&D	Hartford	0% / Rate Guarantee to 2023
Short Term Disability	Hartford	0% / Rate Guarantee to 2023
Long Term Disability (Voluntary)	Hartford	0% / Rate Guarantee to 2023
Employee Assistance Program	Anthem	0% / Rate Pass
Business Travel Accident (BTA)	Cigna	0% / Rate Pass*

*Pending travel exposure data confirmation



Employee Credits



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Employee Credits

Waiver & General Credits

Waiver Credits		
Medical - Active & Budgeted	EEs	Credit
EE Only	47	\$83.34
MONTHLY COST		\$3,916.98
ANNUAL COST		\$47,003.76

Waiver Credits		
Dental - Active & Budgeted	EEs	Credit
EE Only	26	\$4.84
MONTHLY COST		\$125.84
ANNUAL COST		\$1,510.08

General Credits/Enrollment Credits		
Medical EE Only Credit	EEs	Credit
EE Only	177	\$8.00
MONTHLY COST		\$1,416.00
ANNUAL COST		\$16,992.00

All Employee Credit - Active & Budgeted (Previously labeled as a vision credit)		
EEs	Credit	
EE Only	434	\$8.00
MONTHLY COST		\$3,472.00
ANNUAL COST		\$41,664.00

Wellness Credits

Wellness Credits Active & Budgeted

Priority Select HMO		
EE0	43	\$250
EE1	20	\$200
EE2	31	\$200
	94	\$20,950

Select HMO		
EE0	73	\$250
EE1	33	\$200
EE2	41	\$200
	147	\$33,050

PPO Active		
EE0	22	\$250
EE1	8	\$200
EE2	4	\$200
	34	\$7,900

HDHP		
EE0	25	\$250
EE1	7	\$200
EE2	2	\$200
	34	\$8,050

COMBINED ENROLLMENT	309	
COMBINED ANNUAL COST		\$69,950

Current Wellness Program Incentives

Employee Requirements for Incentives

1. Voluntary online health risk assessment participation
2. Biometrics incentives include:

Incentives

- 10% Wellness and 15% Non-Wellness individual employee premium cost share contribution differential
- \$250 FSA/HSA deposit or 457 Deferred Compensation pretax election for **employee participation; and/or**
- \$200 FSA/HSA deposit or 457 Deferred Compensation pretax election for **enrolled covered spouses and registered domestic partners**

Fiscal Impact:

Adequate funding for Health and Welfare Benefits Program Renewal is included in the adopted FY 2022 and conceptually approved FY 2023 Operating Expense Budgets within the Salary and Benefits line items.

Active and Budgeted

Description	Current	Recommended Renewal	% Change	Budgeted Costs CY 2022	\$ Difference Between Recommended	% Difference Between Recommend
Medical	\$ 4,447,598	\$ 4,683,658	5.3%	\$ 4,917,110	\$ 233,452	4.7%
HSA Funds -Active	\$ 70,500	\$ 70,500	0.0%	\$ 70,500	\$ -	0.0%
Dental	\$ 278,841	\$ 278,845	0.0%	\$ 278,832	\$ (13)	0.0%
Basic Life/AD&D	\$ 65,389	\$ 65,389	0.0%	\$ 92,271	\$ 26,882	29.1%
Short Term Disability	\$ 209,956	\$ 209,956	0.0%	\$ 162,007	\$ (47,949)	-29.6%
Other *	\$ 188,265	\$ 188,265	0.0%	\$ 218,358	\$ 30,093	13.8%
TOTAL	\$ 5,260,549	\$ 5,496,613	4.5%	\$ 5,739,079	\$ 242,466	4.2%

* Includes: Wellness Credits (\$250/\$200 Incentive), Medical and Dental Waiver Credit, General Credits and Employee Assistance Program(EAP)

Recommendations

- Renew with current medical carriers – overall 1.9% increase
- Renewal all other carriers with no increase
- Add Cross-Border Medical Plan (MediExcel)
- Consolidate Contribution Strategy (Wellness vs Non-Wellness)
- Remove and repurpose the employee only medical credit of \$8 monthly
- Repurpose the Authority premium credit to add future benefits such as; Childcare/Eldercare and/or increase Wellness Incentive



Questions?

Thank you.

● Ticketing
U.S. Airways

Revised 8/25/2021

Item No. 3

Executive Personnel Staff Report

Meeting Date: August 26, 2021

Subject:

Amend SDCERS Amended & Restated Retirement Plan & Trust to Allow Families First Coronavirus Act (FFCRA) and California Supplemental Paid Sick Leave (SPSL) to be Purchasable Service and Pensionable Earnings

Recommendation:

Forward to the Board with a recommendation for approval.

Background/Justification:

On March 18, 2020, the Family First Coronavirus Response Act (the "Family First Act" or the "Act") was signed into the law. The Family First Act is a package of provisions to provide emergency relief and support during the Coronavirus pandemic by requiring all public employers to provide employees with up to two weeks (80 hours) of Emergency Paid Sick Leave (EPSL) for employees unable to work or telecommute for specified reasons related to COVID-19.

The Family First Act also provides up to 10 weeks (400 hours) of Paid Family Medical Leave (PFML) for employees unable to work or telecommute due to bona fide need for leave to care for a child whose school or childcare is unavailable because of reasons related to COVID-19.

Effective March 29, 2021, California Supplemental Paid Sick Leave (SPSL) provides up to 80 hours of paid sick leave for certain COVID-19-related reasons retroactive to sick leave taken beginning January 1, 2021 and will expire on September 30, 2021.

On November 5, 2020, the Board adopted Resolution No. 2020-0103 to amend the Plan to include EPSL and PFML as pensionable pay on a prospective basis. Staff recommends that the Board amend the Plan to allow EPSL and PFML under the FFCRA to be purchasable for any time in which it was used by an employee from April 1, 2020 through November 5, 2020, which is the period when it was not pensionable pay.

Staff also recommends that the Board amend the Plan to allow California Supplemental Paid Sick Leave (SPSL) to be purchasable service for any time in which it was used by an employee

from January 1, 2021 through September 2, 2021 and that, effective September 2, 2021, and on a prospective basis, California Supplemental Paid Sick Leave (SPSL) qualify as Pensionable Earnings.

Fiscal Impact:

The proposed Amendment is expected to have a minimal financial impact. This impact can be accommodated in the Board Adopted Fiscal 2022 and Conceptually approved Fiscal 2023 Operating Expense Budgets.

Authority Strategies/Focus Areas:

This item supports one or more of the following (*select at least one under each area*):

Strategies

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Focus Areas

- Advance the Airport Development Plan Transform the Customer Journey Optimize Ongoing Business

Environmental Review:

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.
- C. NEPA: This Board action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

Staff Report

Meeting Date: August 26, 2021

Page 3 of 3

Application of Inclusionary Policies:

Not applicable.

Prepared by:

Monty Bell
Director of Talent, Culture & Capability

Amend SDCERS Amended & Restated Retirement Plan & Trust to Allow Families First Coronavirus Act (FFCRA) and California Supplemental Paid Sick Leave (SPSL) to be Purchasable Service and Pensionable Earnings

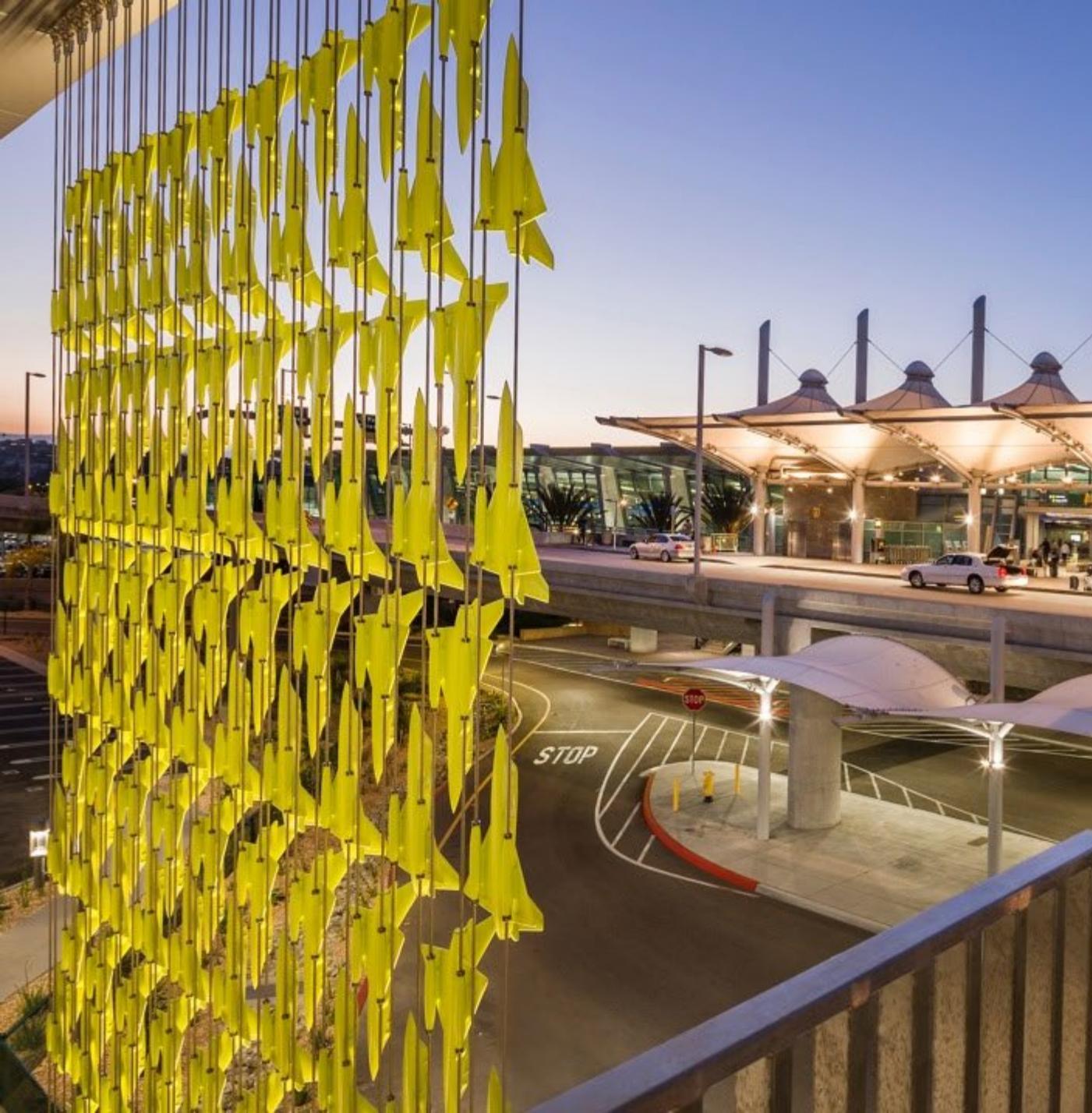
Presented by:
Monty Bell
Director, Talent Culture & Capability

August 26, 2021

Agenda

- Background/Justification
- Fiscal Impact
- Recommended Action





Background/ Justification

Background/Justification

On November 5, 2020, the Board adopted Resolution No. 2020-0103 to amend the Plan to include EPSL and PFML as pensionable pay on a prospective basis. Staff recommends that the Board amend the Plan to allow EPSL and PFML under the FFCRA to be purchasable for any time in which it was used by an employee from April 1, 2020 through November 5, 2020, which is the period when it was not pensionable pay.

Staff also recommends that the Board amend the Plan to allow California Supplemental Paid Sick Leave (SPSL) to be purchasable service for any time in which it was used by an employee from January 1, 2021 through September 2, 2021 and that, effective September 2, 2021, and on a prospective basis, California Supplemental Paid Sick Leave (SPSL) qualify as Pensionable Earnings.

Background/Justification

Family First Coronavirus Response Act

On March 18, 2020, the Family First Coronavirus Response Act (the "Family First Act" or the "Act") was signed into the law. The Family First Act is a package of provisions to provide emergency relief and support during the Coronavirus pandemic by requiring all public employers to provide employees with up to two weeks (80 hrs) of **Emergency Paid Sick Leave (EPSL)** for employees unable to work or telecommute for specified reasons related to COVID-19.

The Family First Act also provides up to 10 weeks (400 hrs) of **Paid Family Medical Leave (PFML)** for employees unable to work or telecommute due to bona fide need for leave to care for a child whose school or childcare is unavailable because of reasons related to COVID-19.

California Supplemental Paid Sick Leave (SPSL)

Effective March 29, 2021, California **Supplemental Paid Sick Leave (SPSL)** provides up to 80 hours of paid sick leave for certain COVID-19-related reasons retroactive to sick leave taken beginning January 1, 2021 and will expire on September 30, 2021.

Fiscal Impact

The proposed Amendment is expected to have a minimal financial impact. This impact can be accommodated in the Board Adopted Fiscal 2022 and Conceptually approved Fiscal 2023 Operating Expense Budgets.

Recommended Action

Staff recommends that the Executive Personnel and Compensation Committee forward with a recommendation for approval to reflect that:

- Federal Emergency Paid Sick Leave (EPSL) and Federal Paid Medical Leave (PFML) under the Families First Coronavirus Act (FFCRA) are purchasable as of April 1, 2020 through November 5, 2020 and that California Supplemental Paid Sick Leave (SPSL) is purchasable service effective as of January 1, 2021 and pensionable pay effective September 2, 2021..





Questions?

SAN DIEGO
COUNTY
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