



**TRUCKEE TAHOE AIRPORT DISTRICT
BOARD OF DIRECTOR STAFF REPORT**

AGENDA TITLE: Review and Discuss Information Regarding Director Health Benefits (Policy Instruction 212)

MEETING DATE: March 27, 2024

PREPARED BY: Josh Nelson, General Counsel

RECOMMENDED ACTION: Receive information regarding updates on District’s provision of health benefits to members of the Board of Directors pursuant to Policy Instruction (PI) 212, and provide direction to staff.

DISCUSSION: The Board has enacted, and occasionally provides updates to, a policy governing the provision of health insurance benefits to the District’s employees and members of the Board of Directors. In light of recent policy and legal changes in the industry, counsel would like to update the Board on the status of available benefits and receive direction on the Board’s preference for moving forward.

Legal Background:

Pursuant to applicable law, the District has two options for providing “health and welfare” benefits to Directors: (1) pursuant to Government Code sections 53200-53210 (“Group Insurance Statutes”) by contracting with insurance carriers, directly or through a broker, for group health and welfare benefits, (2) under the Public Employees' Medical & Hospital Care Act (“PEMHCA”), the health program operated by the CalPERS for medical coverage; or (3) a combination of both.

Under the Group Insurance Statutes, the District may provide and pay for health and welfare benefits (including medical, dental, and vision coverage) for its Directors, as long as such benefits do not exceed “the most generous schedule of benefits being received by any category of non-safety employees.” (Gov. Code, § 53208.5(b).) This is the present authority that the District uses to provide health benefit reimbursement to its Directors.

Under PEMHCA, the District may alternatively contract with CalPERS to provide health benefits to Directors, regardless of whether the District does so for its employees.

Suggested Alternatives to Consider:

Because of changes in the legal and policy landscape of health benefits in the public sphere, it is no longer advisable for the District to directly reimburse Directors for medical coverage or to issue reimbursements for vision and dental coverage going forward. In light of this, staff has a number of options for the Board to consider:

- (1) The Board may transition to contracting with CalPERS, under PEMHCA, to provide medical coverage to the Directors. The anticipated monthly cost associated with this alternative is approximately \$900 to \$3,500 per participating Director depending on the plan and number of dependents. This coverage would be substantially similar to the coverage provided to employees. However, CalPERS does not provide a supplemental Medicare policy to non-PERS retirees.

CalPERS does not offer dental or vision coverage. Therefore, the District can only offer dental and/or vision coverage if it does so in compliance with the Group Insurance Statutes.

- (2) The Board may instead consider increasing each Director's monthly stipend to provide each Director with a maximum amount of \$320 per meeting for its stipend. This option would reflect the impact of inflation over the many years since the initial stipend was established. This change could move forward with the transition to PEMHCA or as an alternative.

The above options would require staff to return with an updated version of PI 212 for the Board to review and approve. In addition, any modification to the stipend would need to be approved by ordinance.

ATTACHMENTS:

Summary of Stipend and Benefits Provided by Regional Agencies