



TRUCKEE TAHOE AIRPORT DISTRICT BOARD OF DIRECTORS STAFF REPORT

AGENDA TITLE: Update to Policy Instruction 212 – Medical Insurance Benefits for Directors and Employees

MEETING DATE: September 23, 2026

PREPARED BY: Liza Smith, Director Finance & Administration

RECOMMENDED ACTION: Approve updated Policy Instruction 212 – Medical Insurance Benefits for Directors and Employees – extending 100% employer paid medical insurance premium benefit to regular part-time employees and their dependents.

BACKGROUND:

On November 29, 2023, the Board of Directors approved the creation of the benefitted regular part-time employee classification for the Truckee Tahoe Airport District, in which they would receive prorated permanent employee benefits. Creating a benefitted part-time employee classification provided the District with improved recruitment and retention of part-time employees.

DISCUSSION: Staff recommends amending Policy Instruction 212 to extend the District's 100% employer-paid medical insurance premium benefit to employees and their dependents, currently provided to Regular Full-Time employees, to Regular Part-Time employees. Regular part-time is a permanent, benefitted classification that the District relies on to fill essential duties in less-than-full-time roles.

It is worth clarifying how this benefit compares to other regular part-time benefits under Policy Instruction 110 – Personnel Policies. Vacation accrual for part-time employees is set at a fixed, discounted schedule by classification, and the District's 457(b) match is a percentage of pay — neither is calculated based on actual hours worked. Sick leave is the one Policy Instruction 110 benefit that accrues in direct proportion to hours worked. Medical insurance is different from all of these: the premium is a fixed dollar cost regardless of an employee's scheduled hours, so it cannot be prorated the way paid time off is. Extending full premium coverage to regular part-time employees is therefore best understood not as a simple extension of existing proration practice, but as its own total-compensation decision, supported by the following:

- **Recruitment.** In the Truckee/Tahoe labor market, qualified candidates for permanent part-time roles often have a full-time, benefitted alternative available to them. Agencies and employers that offer health coverage to part-time staff have a meaningful edge in filling these positions; without them, regular part-time roles, despite being operationally essential, are the hardest to recruit and most likely to sit vacant.
- **Retention and turnover cost.** Just like regular full-time positions, vacancies in regular part-time positions carry real costs: recruitment and interview time, onboarding, lost productivity during ramp-up, and coverage gaps that are often absorbed through overtime paid to regular full-time staff. A competitive benefits package for regular part-time employees reduces turnover and the costs associated with it.
- **Predictable fiscal exposure.** Unlike a full-time benefit expansion, this change only affects the District's existing and future regular part-time positions; a small, known, and budgetable number of employees each year.
- **Total-compensation consistency.** Policy Instruction 110 – Personnel Policies already treats “regular” employment status — full or part-time — as the eligibility line for vacation, sick, holiday, CalPERS, and the 457(b) match. Medical insurance is currently the one benefit where regular part-time employees are treated as a lesser tier despite holding the same permanent, regular status. Closing that gap supports a consistent, defensible total-compensation philosophy across all regular classifications.
- **Administrative simplicity and reduced compliance risk.** A single, uniform eligibility threshold is simpler for payroll to administer than a tiered or prorated scheme.
- **Recruitment differentiation.** For a small public agency, offering 100% premium coverage to permanent part-time staff is uncommon enough to function as a genuine differentiator in job postings, often worth more to candidates than a modest wage increase, given the cost of purchasing individual health coverage.

Given District leadership's goal of strengthening recruitment and retention within its part-time permanent classifications, staff recommends the Board approve this revision to Policy Instruction 112 – Medical Insurance Benefits for Directors and Employees.

FISCAL IMPACT: Actual cost will vary based on the number of regular part-time employees who enroll and the coverage tier each selects, as well as year-over-year changes in premium rates. This is a predictable expense tied directly to the number of budgeted regular part-time positions, and should be weighed against the recruitment, onboarding, and costs associated with vacancies and turnover. The 2026 amount for the remainder of the year October through December is approximately \$2,060.00

SAMPLE MOTION(S): I move to (approve, deny) the September 23, 2026, revision of Policy Instruction 212 – Medical Insurance Benefits for Directors and Employees to extend 100% employer paid medical insurance premium benefit to regular part-time employees and their dependents.

ATTACHMENTS:

Policy Instruction 212 – Medical Insurance Benefits for Directors and Employees - Redlined