

OCMA Membership Update (1-23-13):

OCMA Membership Meeting:

The next OCMA membership meeting is scheduled on Wednesday, 1-30-13 at noon in the Board Hearing Room. The agenda for this meeting is attached for your review and is posted on the website also.

P4P:

By now your Department should have discussed your P4P reward amount with you (if in 2011 your rating was "exceeds" or "exceptional"). The reward will be split 50/50 between base building and lump sum payments. The lump sum payment will be provided on a supplemental check directly to you. The base building portion of the payment will be added to your paycheck. Both the lump sum payment and the increase in hourly wage will be reflected on your February 1, 2013 check(s). Unfortunately, employee pick-up #1 for your additional retirement contribution will be reflected on that date as well. This P4P reward is not retroactive and recipients must be a County employee on 1-11-13.

Future Retirement Contributions for New Employees:

New managers hired after 1-1-13 will receive the Board of Supervisors adopted retirement benefit formula of 1.62% @ 65, which includes an optional 2%, County matched, deferred compensation contribution. In mid-December 2012 the County approached OCMA asking for an immediate decision in regard to new managers contributing a proportionate share of the reverse pick up into the retirement fund for those managers who are currently receiving the 2.7% @ 55 retirement benefit formula.

This is a simple question, with a Yes or No answer. However, the overall issue is complicated and one that requires assistance from experts in the "retirement" field. OCMA has contracted with Rael-Letson to prepare an evaluation of this question and other pertinent retirement issues also. We plan to make this report, which should be provided in approximately one month, available to our membership for review. This report will include a review of the current and future effect of the State's Public Employee's Pension Reform Act of 2013 (PEPRA), a calculation of the cost impact between the current and new benefit formulas, a "break-even" point in regard to the enhanced 2.7% @ 55 retirement benefit formula, the impact on employee contributions for new and existing managers, and a comparison of current employee retirement contributions to the contributions required under PEPRA. This comprehensive analysis by an outside expert will provide the OCMA Board of Directors and the OCMA membership with valuable information. The report and membership feedback will be used for the current County question in regard to new employee retirement contributions and for other retirement issues that may occur in the near future.

Upcoming Survey of the Membership:

This month we plan to send out a survey to the membership in regard to changes in the P4P program and for upcoming discussions with the County in regard to a Benefits Cafeteria Plan/Flex Spending Plan. Because all managers do not necessarily clearly understand what a Benefits Cafeteria Plan/Flex Spending Plan is, we are taking this opportunity to provide some explanation. Many other Counties and some sections of the federal government provide a "benefit flex spending plan" to their employees. Typically, a certain dollar amount (a key ingredient) is provided by the employer and these pre-tax funds are available for the employee and dependents benefit needs. The employee has control/discretion as to which benefits are purchased. Some plans allow for unspent funds to be used for co-pays, and deductibles in these insurance plans. That said, benefit options can include medical benefits, dental benefits, vision benefits, life insurance benefits, annual physicals, long term care, etc.

For example, currently, the County “requires” all managers to select a county health insurance plan. The manager does not have an option of “opting out” of medical insurance. Some managers have spouses/domestic partners who have medical insurance plans whereby a spouse is covered free of charge. In this case, the County manager could receive medical benefits as a dependent under a spouse’s plan and could utilize the County funds previously allocated for this purpose to purchase additional insurance in various other health areas for the benefit of him/herself and dependents. A benefit cafeteria plan/flex spending plan allows the manager to be in control of his/her health choices.

OCMA has begun a review of various plans that are available for other public sector employees and thus far has received positive feedback from many health flex plan recipients. There is much more work to do in this regard, however we want to ensure that the membership understands the concept well enough to provide meaningful input to the upcoming survey.

**ORANGE COUNTY MANAGERS ASSOCIATION (OCMA)**

***Membership Meeting Agenda***

***Wednesday, January 30, 2013 @ noon, Board Planning Room***

- 1. Call to Order – Welcome**
  - **Introductions**
  - **Holiday Event Recap**
  - **Movie Tickets**
  
- 2. Approval of Minutes of October 31, 2012**
  
- 3. Treasurers Report**
  
- 4. Membership Committee Report**
  
- 5. 2012 Contract Update/Discussion/P4P Awards**
  
- 6. 2012 Equity Request Update**
  
- 7. Rael-Letson Consultant Review of New Employee Retirement Contributions**
  
- 8. Survey of Membership – P4P Changes and Cafeteria/Flex Spending Plan**
  
- 9. Other Issues**
  
- 10. Adjournment**