



# Washington Township Health Care District

2000 Mowry Avenue, Fremont, California 94538-1716 | 510.797.1111

Kimberly Hartz, Chief Executive Officer

## Board of Directors

Jacob Eapen, MD  
William F. Nicholson, MD  
Bernard Stewart, DDS  
Michael J. Wallace  
Jeannie Yee

## BOARD OF DIRECTORS' MEETING

**Monday, December 20, 2021– 6:00 P.M.**  
**Meeting Conducted by Teleconference**  
**Dial In: 510-818-5900 Access Code: 6736**

## AGENDA

### PRESENTED BY:

- |  |   |
|--|---|
| <b>I. CALL TO ORDER &amp; PLEDGE OF ALLEGIANCE</b>   | Jeannie Yee<br>Board President            |
| <b>II. ROLL CALL</b>   | Dee Antonio<br>District Clerk             |
| <b>III. COMMUNICATIONS</b>   |   |
| A. Oral<br><i>This opportunity is provided for persons in the audience to make a brief statement, not to exceed three (3) minutes on issues or concerns not covered by the agenda. "Request to Speak" cards should be filled out in advance and presented to the District Clerk. For the record, please state your name.</i> |   |
| B. Written   |   |
| <b>IV. ACTION</b>  | <i>Motion Required</i>                    |
| A. Consideration of Proposed Change to Employee PEPRA Contribution Rate Effective January 1, 2022  |   |
| <b>V. ANNOUNCEMENTS</b>  |   |
| <b>VI. CLOSED SESSION</b>  | Kimberly Hartz<br>Chief Executive Officer |
| A. Action Item: Consideration of Closed Session Minutes: November 10, 15, and 22, 2021   |   |
| B. Report of Medical Staff and Quality Assurance Committee, Health & Safety Code section 32155   |   |
| • Medical Staff Credentials Report   |   |

Board Meeting Agenda  
December 20, 2021

- C. Conference involving Trade Secrets pursuant to Health & Safety Code section 32106
  - Strategic Discussion
- D. Conference with Legal Counsel – Anticipated Litigation pursuant to Government Code section 54956.9(d)(2)
- E. Conference involving Personnel Matters: Chief Executive Officer

**VII. OPEN SESSION**

Report on Permissible Actions Taken During Closed Session

Jeannie Yee  
Board President

**VIII. ADJOURNMENT**

Jeannie Yee  
Board President

*In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the District Clerk at (510) 818-6500. Notification two working days prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting.*



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# Memorandum

**DATE:** December 6, 2021

**TO:** Members of the Board

**FROM:** Chris Henry, VP and CFO

**SUBJECT:** Proposed Change to Employee PEPRA Contribution Rate effective January 1, 2022

**Introduction:** Pursuant to California Government Code Section 7522.30, enacted as part of the California Public Employee's Pension Reform Act of 2013 (PEPRA), the District's Retirement Benefit Plan (the "Plan") requires that each New Participant make employee contributions equal to at least fifty percent (50%) of the normal cost rate for the Plan. This requirement (in addition to other PEPRA language) was formally adopted by the Board as an amendment to the Plan effective January 1, 2013. The relevant language is as follows:

*New Participants shall have an initial contribution rate of at least fifty percent (50%) of the normal cost rate for the plan of retirement benefits provided to the New Participant, **rounded to the nearest quarter of one percent (.25%)**.... Once established, this employee contribution rate shall not be adjusted on account of a change to the normal cost rate **unless the normal cost rate increases or decreases by more than one percent (1%)** of payroll above or below the normal cost rate in effect at the time the employee contribution rate is first established or, if later, the normal cost rate in effect at the time of the last adjustment to the employee contribution rate under this section.*

**Discussion:** The Plan's normal cost rate was initially calculated at 6.52%. Since January 1, 2014, employees have been contributing at a rate of 3.26%. Since the initial adoption of the normal cost rate of the Plan, the rate has not varied sufficiently to warrant a change. However, in September 2021, Milliman, our Actuary, determined that as of December 31, 2020, the normal cost rate declined to 5.38% (see attached letter dated September 1, 2021). The change from 6.52% to 5.38% represents a decrease of 1.14%. Fifty percent of the 5.38% normal cost rate is 2.69%. Rounding to the nearest quarter of one percent, as per the amendment, results in an allowable employee contribution rate of 2.75% vs. the current 3.26% rate.

**Recommendation:** In order for the reduced employee contribution rate to take effect as of January 1, 2022, Ken Ruthenberg, Special Legal Counsel, has recommended that the Board formally approve the revision of the PEPRA contribution rate from 3.26% to 2.75%, effective for all pay dates on or after January 1, 2022. The Board's approval can be in the form of a motion.