EST. 1973
SACRAMENTO REGIONAL TRANSIT

STAFF REPORT

DATE:	November 9, 2026
TO:	Sacramento Regional Transit Board of Directors
FROM:	Shelly Valenton, Deputy General Manager/CEO
SUBJ:	APPROVING THE RENEWAL OF ALL SACRT HEALTH AND WELFARE BENEFITS FOR 2027

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

The effect of the Board approving the renewal of all the Health and Welfare insurance coverage is that employees will continue to receive the health and welfare benefits described below in accordance with SacRT's collective bargaining agreements and employment contracts.

FISCAL IMPACT

The only anticipated cost increase related to the renewal of health and welfare benefits programs at SacRT is for the Employee Assistance Program (EAP). The cost to renew the EAP is $13,805.40 for the final 6 months of FY27 which is $399.00 higher than the current contract. If approved, the minimal difference in cost will be absorbed in the FY27 budget. The total employer cost of the employee health and welfare benefits are included in SacRT's operating budget.

DISCUSSION

Each year, SacRT must determine whether to continue its current insurance benefit policies with its current benefit providers. The following is a summary of the results of the 2027 renewal process. Attachment 1 contains an Executive Summary prepared by SacRT's benefit broker, Keenan and Associates, providing details on all the renewal information. The rates are renewed on a calendar year basis as opposed to how funds are budgeted on a fiscal year basis.

Dental

The Delta Dental PPO and Delta HMO plans both renewed with a rate pass and a two-year rate guarantee. Current rates and benefits for all employees enrolled will remain the same for the 2027 plan year. The next plan renewal will be January 1, 2028.

Vision

The VSP Vision base, Buy-Up Option 1, and Buy-Up Option 2 plans all renewed with a rate pass and a three-year rate guarantee. Current rates for all employees enrolled in the VSP Basic or Enhanced Plan will remain the same for the 2027 plan year. The next plan renewal will be January 1, 2029.

Life Insurance/Accidental Death & Dismemberment (AD&D)/Long Term Disability (LTD) Insurance

The current rates for all employees will remain the same for the 2027 plan year with rates guaranteed through December 31, 2028. The next plan renewal will be January 1, 2029.

Flexible Spending Account (FSA) and COBRA Administration

The current rate of $4.70 per month per participant will remain the same for the 2027 plan year. The contract with Navia Benefits Solutions is an evergreen contract meaning that it continues in force indefinitely but may be terminated with a 30-day notice of cancellation.

Employee Assistance Program (EAP)

The Optum EAP rates are going into the third year of a three-year renewal contract, which includes a 3% rate escalator for years two and three. The current rate of $1.68 per month per participant will increase to $1.73 per month per participant, which is a rate increase of $399.00 for FY 2027.

Keenan

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Sacramento Regional Transit District
2027 Health & Welfare Renewal
Executive Summary

On behalf of Sacramento Regional Transit District, Keenan & Associates is pleased to present the 2027 renewal overview for the ancillary benefit plans.

Renewal and Marketing Objectives

Keenan remains committed to negotiating on behalf of Sacramento Regional Transit District to secure affordable ancillary benefit programs that provide meaningful value to employees. Whenever possible, Keenan will also pursue multi-year rate guarantees to promote greater cost stability and predictability.

Dental and Vision Care Trends

Dental plans continue to experience moderate cost pressure due to increases in provider reimbursement, labor expenses, supply costs, and utilization. PPO dental plans are generally experiencing higher trends than prepaid plans because costs are more directly influenced by provider fees and the volume of services delivered. Vision trends remain comparatively stable, with increases primarily driven by higher examination fees and the rising cost of frames, lenses, and contact lenses. Keenan & Associates is forecasting the following dental and vision trend increases:

Dental	Vision
PPO – 7%	Vision – 4%
Prepaid – 5%	

Delta Dental

The Delta Dental PPO and DHMO plans are entering the second year of a two-year rate guarantee. Current rates and benefits will remain unchanged through December 31, 2027, with the rate guarantee expiring upon the January 1, 2028, renewal.

VSP

The VSP Vision Base, Buy-Up Option 1, and Buy-Up Option 2 plans are entering the second year of a three-year rate guarantee. All current rates will remain unchanged until the next renewal, effective January 1, 2029.

The Hartford

The District's Basic Life, Basic Accidental Death & Dismemberment (AD&D), Basic Dependent Life, Voluntary Life, and Long-Term Disability (LTD) plans will renew with no rate increase effective January 1, 2027. Rates will remain guaranteed through December 31, 2028, with the next renewal effective January 1, 2029. In addition, The Hartford approved a one-time Life Open Enrollment opportunity during 2026, with elected coverage changes becoming effective January 1, 2027. During this special enrollment period, employees were

permitted to enroll in or increase their life insurance coverage up to the applicable guaranteed issue amount without providing medical evidence.

Flexible Spending Account

Navia Benefits administration will renew with no increase to the administration fee for the 2027 plan year. The current rate will remain $4.70 per participant per month.

Optum Employee Assistance Program (EAP)

The Optum Employee Assistance Program (EAP) is entering the third and final year of its three-year contract, which includes a 3% rate increase for the third year. The next contract renewal is scheduled for January 1, 2028.

Summary

Keenan values its longstanding partnership with Sacramento Regional Transit District and looks forward to continuing to support the District throughout the 2027 plan year. We remain committed to providing ongoing assistance across the District's current benefit programs and keeping the District informed of regulatory developments and other changes that may affect the benefits offered to employees.

Sincerely,

Robin Neer

Robin Neer
Senior Employee Benefits Account Executive

RESOLUTION NO. 2026-11-126

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

November 9, 2026

APPROVING THE RENEWAL OF ALL SACRT HEALTH AND WELFARE BENEFITS FOR 2027

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Board hereby approves the 2027 Health and Welfare Renewals for dental coverage with Delta Dental, vision coverage with Vision Service Plan, life insurance and long-term disability insurance with The Hartford Life Insurance Company, flexible spending account management with Navia Benefit Solutions, and employee assistance program services with Optum.

THAT, the Board hereby authorizes the General Manager/CEO or his designee to fill out, execute, and submit any and all forms, applications, documents, and agreements necessary to effectuate the renewal of all insurance coverages herein approved.

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BOBBIE SINGH-ALLEN, Chair

A T T E S T:

HENRY LI, Secretary

By:_____
Tabetha Smith, Assistant Secretary