

ORDINANCE NO. 397

AN ORDINANCE OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, RELATING TO EMPLOYEE BENEFITS, AMENDING THE EMPLOYEE HEALTH INSURANCE PLAN BY AMENDING THE 2003 – 2004 BIENNIAL BUDGET AND BY AMENDING CHAPTER 3.15 OF THE UNIVERSITY PLACE MUNICIPAL CODE.

WHEREAS, the rate of premium increases from the City's insurance carrier were significantly higher than anticipated in the original 2003-2004 Biennial Budget Adoption; and

WHEREAS, staff, recognizing the need for change has endorsed a proposed change in the current Health Care Plan; and

WHEREAS, these organizational changes need to be reflected in the City's Salary and Benefits Plan and City Municipal Code; NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. 2004 Salary and Benefit Plan Amended (Ord. 358 Exhibit C, 2002). The Salary and Benefit Plan for the City of University Place, Washington (Ordinance 358, Exhibit C), adopted in the 2003-2004 Biennial Budget is hereby amended effective January 1, 2004, as shown in the attached Exhibit 1.

Section 2. Chapter 3.15.020 of the City of University Place Municipal Code Amended. Section 3.15.020 of the City of University Place Municipal Code is hereby amended effective January 1, 2004, as shown in the attached Exhibit 2.

Section 3. Administration. The City Manager shall administer the Employee Salary and Benefits Plan amended herein.

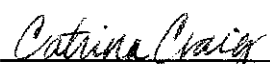
Section 4. Severability. The provisions of this ordinance are declared separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this ordinance or the invalidity of the application thereof to any person or circumstance, shall not affect the validity of the remainder of the ordinance, or the validity of its application to other persons or circumstances.

Section 5. Publication and Effective Date. A summary of this ordinance consisting of its title shall be published in the official newspaper of the City. This ordinance shall be effective five days after publication.

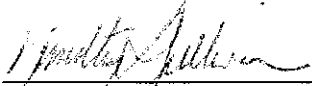
PASSED BY THE CITY COUNCIL ON OCTOBER 20, 2003


Jean Brooks, Mayor

ATTEST:


Catrina Craig, City Clerk

APPROVED AS TO FORM:



Timothy X. Sullivan, City Attorney

Date of Publication: 10/22/03

Effective Date: 10/27/03

UNOFFICIAL DOCUMENT

Exhibit 1

Exhibit C

Unrepresented Employees 2003 2004 Benefit Summary

Retirement

	<u>City Contribution</u>	<u>Employee Contribution</u>
<i>Required</i>		
FICA-Medicare	1.45%	1.45%
FICA Social Security	0.00%	0.00%
PERS* I or II	1.32%	I: 6%; II: 0.65%
401(a)**	6.2%	6.0% -- 18%
<i>Optional</i>		
Deferred Comp (457)	0.00%	0-25% of <u>Gross Maximum</u>
<u>Allowed</u>		

*PERS contribution rates are subject to change and are set by the State of Washington.

**Vesting for the 401(a) plan is 33% per year (100% after 3 years). Union employees are also eligible for the 401(a) and PERS plans as describe above. Employees have an irrevocable choice of contribution levels from 6% to 18%.

Health Insurance

Medical: Regence Washington Health (AWC Plan A-PPO Plan) or Group Health (AWC Co-Pay Plan 2).

Dental: Washington Dental Service (AWC Plan F and Orthodontia Rider Plan IV for dependent children).

Vision: Vision Service Plan (AWC \$25 Deductible Plan).

Dental and Vision Plans are completely funded by the City

City health insurance (medical, dental, & vision) contribution minimum \$490/mo. up to \$924.22/mo. maximum:

- If an employee's total health (medical, dental, orthodontia, and vision) insurance premiums exceed the monthly health allowance minimum and are less than the health allowance maximum, an amount equal to the employee's orthodontia premium will be deducted from his/her paycheck.
- If an employee's monthly health (medical, dental, orthodontia, and vision) premiums exceed the health allowance maximum, the amount over the maximum (the employee's orthodontia premium as a minimum) will be deducted from his/her paycheck.
- If an employee's monthly health (medical, dental, orthodontia, and vision) premiums are less than the health allowance minimum, the remaining allowance may be taken as cash, deferred compensation (457 retirement plan), vacation (up to three per year), or Section 125 flexible spending account contributions. This health allowance savings will be reduced by the amount of the employee's orthodontia premium (this reduction will be zero if the employee does not insure spouse or dependents on dental or orthodontia).

2004

- A choice between the AWC PPO Plan and Group Health
- All employees with employee-only coverage will receive \$100.00 a month as an incentive to keep them from putting dependants on the City plan.

- All full families (employee, spouse, and two or more children) regardless of plan will pay a \$67.00 monthly contribution

2005

- A base allowance of the least expensive employee only coverage plus \$100.00 is paid for all employees; the City pays any additional costs at 95%.
- Employees start paying 5% of costs above the base allowance.

2006 and Beyond

- Employee responsibility increases to 10% of costs above the base allowance; City pays 90%.

Employee Assistance Program

The City's Employee Assistance Program (EAP) provides marriage and family, legal, financial, substance abuse, and other forms of counseling and guidance.

Section 125 Plan

The Section 125 Plan allows the employee and/or the City to contribute tax-free dollars to flexible spending accounts through which employees can pay for health insurance premiums, health expenses, and dependent care expenses.

Life, Survivor, and Long Term Disability (LTD) Insurance

	Benefit	City Cost	Employee Cost
Life/AD&D	\$25,000/\$50,000	\$7.50/mo.	\$0
Survivor	30-60% of salary	0.49% of salary	\$0
LTD	60% of salary		\$0

Employees may also use their own payroll deductions to purchase additional voluntary life and short-term disability insurance. The above rates are subject to change upon notice from the vendors.

Exhibit 2

3.15.020 Health allowance benefit for regular full-time and part-time employees.

~~The city council shall set a monthly health allowance benefit for regular full-time and part-time employees. The health allowance shall be set in the biennial budget ordinance. The health allowance benefit shall be for an employee's medical, dental, and vision insurance premiums. The council may provide for dependent health insurance coverage. The health allowance for part-time employees may be set as a pro-rata share of the benefit for regular full-time employees. The health allowance benefit may be set by the city council as a minimum/maximum monthly dollar participation rate by the city. (Ord. 300 § 1, 2000).~~

See the Biennial Budget document for a detailed description of the Employee Health Care Plan.