

ORDINANCE NO. 359

AN ORDINANCE OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, AMENDING CHAPTER 3.15, EMPLOYEE BENEFIT HEALTH ALLOWANCE, OF THE UNIVERSITY PLACE MUNICIPAL CODE BY ADJUSTING THE MONTHLY HEALTH ALLOWANCE FOR CITY COUNCIL POSITIONS TO WHICH A PERSON IS ELECTED OR APPOINTED ON OR AFTER NOVEMBER 4, 2002.

WHEREAS, the City Council's health insurance allowance is related to the employee-only medical, dental, and vision premiums;

WHEREAS, the actual monthly medical, dental, and vision premiums for Council members exceed the current health allowance made available for Council members;

WHEREAS, health insurance premiums are expected to rise by double-digit percentage increases for the foreseeable future;

WHEREAS, RCW 35A.13.040 allows City Council members to set the compensation for Council members by ordinance provided that any increase or reduction in Council's compensation shall not become effective until the expiration of the term then being served by the incumbents;

WHEREAS, the City Council wishes to adjust the monthly health allowance for Council members elected or appointed to a term of office on or after November 4, 2003;

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

**Section 1. Amending University Place Municipal Code Chapter 3.15.040, Limited Health Allowance Benefit for Council Members.** The University Place Municipal Code Chapter 3.15.040, Limited Health Allowance Benefit for Council members, is hereby amended as follows:

3.15.040 Limited Health Allowance Benefit for Council Members

(A) Effective January 1, 2002, City Council members who have been elected to or appointed to office on or after November 6, 2001, shall be eligible for one of the following two benefit options.

1. ~~Full participation in any health, dental and vision insurance plans that are currently offered to other regular full time city employees provided that the total City monthly health allowance for each City Council member shall not exceed \$273. Participation by City Council members in health, vision and dental insurance programs is contingent upon meeting all underwriting conditions imposed by the carriers including minimum group participation rates. All costs in excess of \$273 per month as well as premiums for dependent coverage shall be borne by Council members. A Council member's share of costs for premiums in excess of \$273 per month shall be made through payroll deductions. Council members may elect to participate in the City's Section 125 program. Participation in the City's medical plan shall be a fringe benefit accruing to Council member's by virtue of employment with the City and shall not be considered part of Council member's stipend or wages.~~

2. Effective January 1, 2004 the monthly health allowance for Council members, including the Mayor, who have been elected to or appointed to office on or after November 4, 2003 shall increase to \$418. Effective January 1, 2005 the monthly health allowance for Council members, including the Mayor, who have been elected to or appointed to office on or after November 4, 2003 shall increase to \$480. Effective January 1, 2006 the monthly health allowance for Council members, including the Mayor, who have been elected to or appointed to office on or after November 4, 2003 shall increase to \$552. On January 1 of 2007 and on January 1 of every year thereafter, the monthly health allowance for City Council members, including the Mayor, who have been elected to or appointed to office on or after November 4, 2003 shall increase by fifteen (15.0) percent.

3. 2- In the event either Council members demonstrate proof of comparable medical coverage to that offered by the City through another health insurance plan, or if less than four (4) of the seven Council members choose to participate in the City's medical plan, then Council members may chose to take all or a portion of the \$273 health allowance as cash, allocate a portion to a 457 Deferred Compensation retirement plan or retiree health savings plan, or designate all or a portion to the Section 125 Flexible Spending accounts. ~~The contributions made under this section shall be in a fringe benefit accruing to the member by virtue of employment with the City and shall not be considered part of the member's stipend or wages.~~

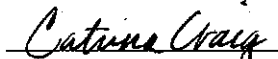
(B) The City's Section 125 Plan Document shall be amended to provide for the alternative benefits listed above. All benefits provided to City Council members must be in compliance with: (1) State and Federal law; (2) the AWC Employee Benefits Trust rules; and (3) the City's Section 125 Plan Document. Benefits for City Council members shall be governed by this chapter and are separate from the benefits provided for regular full time and part time City employees.

**Section 2. 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 (5) days after its publication.

PASSED BY THE CITY COUNCIL ON NOVEMBER 18, 2002

  
Jean Brooks, Mayor

ATTEST:

  
Catrina Craig, City Clerk

APPROVED AS TO FORM:

  
Timothy X. Sullivan, City Attorney

Publication Date: 11/20/02  
Effective Date: 11/25/02