

RESOLUTION NO. 409

**A RESOLUTION OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, AMENDING
THE PERSONNEL POLICIES AND PROCEDURES MANUAL EFFECTIVE ON
JANUARY 1, 2004**

WHEREAS, health care costs have and are continuing to rise at double-digit annual inflation rates; AND

WHEREAS, the City Council has mandated that the City employees act to control these costs; AND

WHEREAS, the Employees voted on September 18, 2003 to endorse a proposal for a new health benefit system; AND

WHEREAS, the proposed plan is expected to significantly reduce the cost increases of health care benefits to the City; NOW, THEREFORE,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF UNIVERSITY PLACE,
WASHINGTON, AS FOLLOWS:**

Section 1. Actions. The Personnel Policies and Procedures Manual Section 6.03 Benefits Allowance shall be amended effective January 1, 2004, as shown in Exhibit A. Appendix B: Medical Plan shall be changed effective January 1, 2004, as shown in Exhibit B.

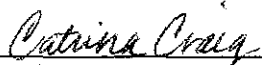
Section 2. Effective Date. This resolution shall take effect immediately upon passage.

ADOPTED BY THE CITY COUNCIL ON OCTOBER 20, 2003.



Jean Brooks, Mayor

ATTEST:



Catrina Craig, City Clerk

Exhibit A

6.03 BENEFIT ALLOWANCE

~~The City provides a monthly benefits allowance (as adopted in the annual budget ordinance) for all regular full-time City employees and a pro-rated amount for regular part-time employees provided that each employee shall be required to subscribe to individual medical, dental (including orthodontia if applicable) and vision coverage at a minimum. Any remaining allowance under the health allowance minimum may be used to purchase additional coverage for dependents. Employees with no dependents and employees who purchase health insurance coverage for their dependent(s) under the City's plan(s) or elsewhere can use the remaining allowance (if any) to: 1) buy up to three (3) days added vacation time per year; 2) contribute to the deferred compensation program provided by the City; 3) receive the remaining allowance as a cash payment (subject to retirement and other required deductions); and/or 4) allocate the remaining allowance into one or more of the employee's Section 125 flexible spending accounts. The health allowance shall be a fringe benefit accruing to the employee by virtue of employment with the City and shall not be considered part of the employee's regular rate of pay.~~

~~□ 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 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).~~

~~Regular employees are eligible for the benefit allowance beginning with the first full month of employment with the City. Eligible employees may elect to convert accrued vacation days to pay health insurance premiums beyond the monthly benefits allowance, providing they have used or maintain a minimum ten (10) day vacation accrual. See the 2003 - 2004 Biennial Budget for a detailed description of the Employee Health Care Plan. (See Appendix "B" for more details and plan benefits names.)~~

Exhibit B

APPENDIX B

Summary of Employee Insurance Benefits

The following is a listing of insurance plans currently available to City of University Place employees (subject to change):

Medical Plan: Association of Washington Cities Employee Benefits Trust, Plan-A PPO Plan (underwritten by Washington Physicians Service) or an HMO.

Dental Plan: Association of Washington Cities Employee Benefits Trust, Plan F and Orthodontia Rider Plan IV (underwritten by Washington Dental Service).

Vision Plan: Association of Washington Cities Employee Benefits Trust, Full Family - \$25 Deductible, Second Pair Option (underwritten by Vision Service Plan).

Long Term Disability Insurance: 60% of Salary; 90-day Elimination Period; Maximum Monthly Benefit of \$5,000; Minimum Monthly Benefit of \$100 (through R.L. Evans Company, provided by Unum Insurance).

Life and Accidental Death and Dismemberment Insurance: \$25,000 per employee (through R.L. Evans Company, provided by Unum Insurance).

Survivor Life Insurance: Spouse or Children - 30% to a \$900 monthly maximum benefit; Spouse and Children - 60% to a \$1,800 monthly maximum benefit (through R.L. Evans Company, provided by Unum Insurance).

Other Insurance: The City also may offer voluntary group life, short-term disability or other optional insurance programs paid for by the employee via payroll deductions.