



City of Fayetteville, Arkansas

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Fayetteville, AR 72701
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Legislation Text

File #: 2014-0553, Version: 1

AN ORDINANCE TO AMEND §31.16 ALDERMEN, COMPENSATION TO PROVIDE THAT ALDERMEN MAY PARTICIPATE IN THE CITY OF FAYETTEVILLE EMPLOYEE HEALTH INSURANCE PLAN AS A DEFINED CLASS DURING THEIR ELECTED TERMS OF OFFICE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1. That the City Council of the City of Fayetteville, Arkansas hereby amends §31.16(A) of the Fayetteville Code by repealing it in its entirety and enacting a replacement §31.16(A) as shown below:

“31.16 Aldermen, Compensation

(A) Compensation for each alderman shall be in the amount of \$1,042.00 per month without regular city benefits, except that aldermen may elect to participate in the City health insurance plan as a separate defined class.”

City of Fayetteville Staff Review Form

2014-0553

Legistar File ID

12/16/2014

City Council Meeting Date - Agenda Item Only
N/A for Non-Agenda Item

Don Marr

12/2/2014

Chief of Staff

Submitted By

Submitted Date

Division / Department

Action Recommendation:

An Ordinance to amend §31.16 Aldermen, Compensation to provide that Aldermen may participate in the City of Fayetteville employee health insurance plan as a defined class during their elected terms of office.

Budget Impact:

1010.XXX.5108.00

General Fund

Account Number

Fund

Project Number

Project Title

Budgeted Item? Yes

Current Budget \$ 2,695,770.00

Funds Obligated \$ -

Current Balance **\$ 2,695,770.00**

Does item have a cost? No

Item Cost

Budget Adjustment Attached? No

Budget Adjustment

Remaining Budget **\$ 2,695,770.00**

V20140710

Previous Ordinance or Resolution # _____

Original Contract Number: _____

Approval Date: _____

Comments:

ORDINANCE NO. _____

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PASSED and APPROVED this _____ day of _____, 20_____.

APPROVED:

ATTEST:

By: _____
LIONELD JORDAN, Mayor

By: _____
SONDRA E. SMITH, City Clerk/Treasurer



CITY COUNCIL AGENDA MEMO

To: Mayor Lioneld Jordan and City Council members
Thru: Mayor Jordan
From: Don Marr, Chief of Staff
Date: December 2, 2014
Subject: Alderman insurance benefits

PROPOSAL:

It is proposed that City of Fayetteville Alderman be offered health insurance as of January 1, 2015.

Health Care Reform laws mandate that, as of January 1, 2015, employers offer health insurance to employees who average at least 30 hours a week¹. The City's Benefits Broker, Gallagher Benefits Services, has opined through its Legal Department that the City's Alderman fall under the definition of "employee" (if they work 30 or more hours a week), for purposes of the City's obligations under Health Care Reform laws.

The Administration recommends addressing this issue as follows:

Recommendation:

Under this proposal, effective January 1, 2015 all Aldermen would be offered health insurance as a defined class within our Blue Cross Blue Shield Application for the period of time while in service to the City. This would provide Aldermen the option to be provided health insurance coverage so that the City of Fayetteville is in compliance with the Health Care Reform laws, without timekeeping paperwork having to be submitted monthly.

If the Council does not authorize Alderman to be designated as an insured class in the AR BC/BS plan, any Alderman who confirms that he/she averages more than 30 hours a week in performing their Alderman duties, the City will still be required to offer health insurance to these individuals as required by federal law.

BUDGET IMPACT:

The cost to the City would be the City's contribution to the health insurance premiums for those council members who elect coverage. A chart showing the allotment of health insurance premiums costs is attached.

¹ For existing employees, the twelve month period for measuring the average weekly hours worked is, for the City of Fayetteville, August 1st through July 31st of each year. For new employees, it is acceptable to go by the anticipated work schedule.

2015 Health Insurance Rates

MONTHLY CALCULATIONS				
PPO Rate Tier	Total Monthly Premiums	Monthly Employee Contribution	Monthly Employer Contribution	Employee Cost Share %
2014 Single	\$386.93	\$77.38	\$309.55	20.00%
2014 Family	\$1,025.34	\$358.86	\$666.48	35.00%
2015 Single	\$414.79	\$82.96	\$331.83	20.00%
2015 Family	\$1,099.16	\$384.72	\$714.44	35.00%

HDHP (High Deductible)						
MONTHLY CALCULATIONS						
HDHP Rate Tier	Total Monthly Premiums	Monthly Employee Contribution	Monthly Employer Contribution	Total Employee Cost Share % (for 2015 means prior 5% cost share plus assuming 20% of the increase for individual and 35% of the increase for family)	Employer's Monthly Health Savings Account Contribution (assumes same for 2014 & 2015)	Total Employer Monthly Contribution (Premium + Health Savings Account Contribution)
2014 Single	\$204.11	\$10.20	\$193.91	5.00%	\$70.80	\$264.71
2014 Family	\$540.86	\$27.04	\$513.82	5.00%	\$156.66	\$670.48
2015 Single	\$218.81	\$13.16	\$205.65	6.01%	\$70.80	\$276.45
2015 Family	\$579.80	\$40.68	\$539.12	7.02%	\$156.66	\$695.78