

**Personnel Committee****4.0.****Meeting Date:** 12/13/2011**By:** Colleen Lasher, Administrative Services

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**Information****Title:**

Consider a Resolution to Approve 2012 Non-Union Health Insurance Contributions and 2012 Non-Union Cost of Living Adjustments (COLA)

**Background:**Health Insurance for 2012:

On October 11, 2011, the City Council approved the City to change health insurance carriers from HealthPartners to Blue Cross and Blue Shield as part of the LOGIS Consortium. The City benefits joining the LOGIS group and BCBS, as follows: opportunity to join a larger group, tiered plan options which includes single, single plus child(ren), single plus spouse, and family; which will better meet employees' actual coverage needs (as compared to only single and family plan options under HealthPartners), options for higher deductible plans; \$4000 Single & \$8000 Family (as compared to the current maximum deductible of \$2000 Single & \$4000 Family under HealthPartners), four years of rate caps as follows: 9% in 2013, 10% in 2014, 11% in 2015, and 12% in 2016--which are not contingent upon a service contract, two networks for employees to choose from based on their healthcare needs (as compared to one under HealthPartners), 100% coverage (in most plans) after the deductible is satisfied (as compared to 80% under HealthPartners), less expensive basic life insurance, approximately \$500.00 contribution per year toward the OPEP GASB Statement No. 45 valuation fee, and more plan options.

The City health insurance contributions listed below are the same contributions that have been negotiated with all other employee groups (AFSCME, LELS-Patrol and LELS-Sergeants). Note: in order to ease administration of the benefits and to maintain consistency (aside from the funding toward the co-pay plan) all contributions are set at an equal amount for each tier level (Family, Employee only, Employee+Spouse, Employee+Children).

Cost of Living Adjustment (COLA) for 2012:

Wages for all City staff have been frozen for two years with the last increase authorized as of January 1, 2009 (no increases were given for 2010 or 2011). The City Council authorized a two percent (2%) increase as part both the LELS Patrol and LELS Sergeants 2011 - 2012 contracts effective January 1, 2012. Earlier this evening, the Personnel Committee considered a case to settle the AFSCME contract, which also included a 2% increase to wages. The non-union wage scale, at this time, reflects 2009 wages. Staff has surveyed other comparable cities in the area and a 2% increase is within the trend for 2012.

**Observations:**

	Monthly City Premium	City Cont. to Prem. Per Month	Employee Cost for Premium per Month	City Cont. to VEBA	Total City Contribution
<b>Family</b>					
100% \$30.00 co-pay	\$2,057.00	\$831.56	\$1,225.44	NA	\$831.56
\$1500/\$3000 Ded. Plan w/VEBA	\$1,745.00	\$1,048.00	\$697.00	\$192.00	\$1,240.00
\$2500/\$5000 Ded. Plan w/VEBA	\$1,608.00	\$1,048.00	\$560.00	\$192.00	\$1,240.00
\$4000/\$8000 Ded. Plan w/VEBA	\$1,418.00	\$1,048.00	\$370.00	\$192.00	\$1,240.00
<b>Employee Only</b>					
100% \$30.00 co-pay	\$791.00	\$517.14	\$273.86	NA	\$517.14
\$1500/\$3000 Ded. Plan w/VEBA	\$671.00	\$570.00	\$101.00	\$130.00	\$700.00
\$2500/\$5000 Ded. Plan w/VEBA	\$618.50	\$570.00	\$48.50	\$130.00	\$700.00
\$4000/8000 Ded. Plan w/VEBA	\$545.00	\$545.00	\$0.00	\$155.00	\$700.00
<b>Employee Plus Spouse</b>					
100% \$30.00 co-pay	\$1,661.00	\$831.56	\$829.44	NA	\$831.56

<b>\$1500/\$3000 Ded. Plan w/VEBA \$1,409.50</b>	<b>\$815.00</b>	<b>\$594.50</b>	<b>\$160.00</b>	<b>\$975.00</b>
<b>\$2500/\$5000 Ded. Plan w/VEBA \$1,298.50</b>	<b>\$815.00</b>	<b>\$483.50</b>	<b>\$160.00</b>	<b>\$975.00</b>
<b>\$4000/\$8000 Ded. Plan w/VEBA \$1,145.00</b>	<b>\$815.00</b>	<b>\$330.00</b>	<b>\$160.00</b>	<b>\$975.00</b>

**Employee Plus Child(ren)**

<b>100% \$30.00 co-pay</b>	<b>\$1,582.00</b>	<b>\$831.56</b>	<b>\$750.44</b>	<b>NA</b>	<b>\$831.56</b>
<b>\$1500/\$3000 Ded. Plan w/VEBA \$1,342.00</b>	<b>\$890.00</b>	<b>\$452.00</b>	<b>\$160.00</b>	<b>\$1,050.00</b>	
<b>\$2500/\$5000 Ded. Plan w/VEBA \$1,236.50</b>	<b>\$890.00</b>	<b>\$346.50</b>	<b>\$160.00</b>	<b>\$1,050.00</b>	
<b>\$4000/\$8000 Ded. Plan w/VEBA \$1,090.50</b>	<b>\$890.00</b>	<b>\$200.50</b>	<b>\$160.00</b>	<b>\$1,050.00</b>	

\*The City's 2012 VEBA contribution includes the \$4.30 monthly claims fee.

**Recommendation:**

Make a motion to approve the above listed city health insurance contributions and to increase the non-union wage scale by two percent (2%).

**Funding Source:**

Funding for both city contributions to health insurance and cost of living adjustment are included in the 2012 general fund budget.

**Council Action:**

Make a motion to confirm the recommendation of the Personnel Committee to approve the above listed city health insurance contributions and to increase the non-union wage scale by two percent (2%).

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**Attachments**

Resolution

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### Form Review

**Inbox**  
Kurt Ulrich

**Reviewed By**

**Date**

Form Started By: Colleen Lasher

Started On: 12/05/2011 08:14 AM

Council Member introduced the following resolution and moved for its adoption:

**RESOLUTION #**

**RESOLUTION TO APPROVE NON-UNION HEALTH INSURANCE CONTRIBUTIONS AND COST OF LIVING ADJUSTMENTS (COLA)**

**WHEREAS**, benefit eligible City employees may participate in the health plan; and

**WHEREAS**, the City wishes to provide contributions toward this benefit which are consistent with the market, within the City's financial means, and of value to employees, and

**WHEREAS**, the chart below lists the premiums, employee costs, and total City costs, effective January 1, 2012, and

**WHEREAS**, consistent with past practice, the City will continue to provide benefit eligible employees with a basic life insurance policy of \$20,000; and

**WHEREAS**, wages were not increased in 2010 or 2011, and

**WHEREAS**, effective January 1, 2012, a two percent (2%) cost of living adjustment (COLA) shall be added to the non-union wage scale.

	Monthly Premium	City Cont. to Prem. Per Month	Employee Cost for Premium per Month	City Cont. to VEBA	Total City Contribution
<b>Family</b>					
100% \$30.00 co-pay	\$2,057.00	\$831.56	\$1,225.44	NA	\$831.56
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\*The City's 2012 VEBA contribution includes the \$4.30 monthly claims fee.

**NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF RAMSEY, ANOKA COUNTY, STATE OF MINNESOTA,**

Confirms the recommendation of the Personnel Committee to make a motion recommending that the City Council approve the above-listed City health insurance contributions and a two percent (2%) cost of living adjustment (COLA) for non-union employees effective January 1, 2012.

The motion for the adoption of the foregoing resolution was duly seconded by Council Member, \_\_\_\_\_, and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

and the following abstained:

and the following were absent:

Whereupon said resolution was declared duly passed and adopted by the Ramsey City Council this the 13<sup>th</sup> day of December, 2011.