

### **Wages / Overview of the City's Cost of Living Adjustments (COLA)**

The purpose of the COLA is to ensure that purchasing power is not eroded by inflation. Last year, the City Council was provided with the information listed below. Unfortunately, the 2014 data is not yet available and may not be for some time, pending the end of the government shut-down.

In any event, the Social Security Administration (SSA) provides data as it relates to Social Security Income and COLA calculations. (Based on the percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W)) The SSA calculated the COLA for 2013 to be 1.7% and the City gave a 1% COLA to all groups in 2013.

Note: This information has been provided as supporting documentation only and does not imply that the City relies on the SSA for budgeting purposes, or otherwise

For information purposes, a brief COLA history is listed below:

- 2013 1% for all employee groups
- 2012 2% for all employee groups, with the exception of Department Heads at 1%
- 2011 Zero % for all employee groups
- 2010 Zero % for all employee groups
- 2003 to 2009 3% each year for all employee groups

For 2014, the City's preliminary budget for non-union employees has budgeted for a 2.5% wage or cost of living adjustment.

### **Health Insurance / Overview of the City's Health Insurance**

January 2014 marks the beginning of the City's third year with Blue Cross and Blue Shield. The City changed health insurance carriers in 2012 from HealthPartners to Blue Cross and Blue Shield as part of the Local Government Information Systems Consortium (LOGIS). The City' benefited by joining the LOGIS group in many ways, but especially through the guarantee of four years of rate caps as follows: 8 1/2% in 2013, 10% in 2014, 11% in 2015, and 12% in 2016. However, as Healthcare Reform has evolved, there have been some added taxes that have passed on to the health plan and consequently the City. As a result, the 10% rate cap increase for 2014 ended up coming in at 13.3%.