

FY 2013 Proposed Budget Employee Total Compensation

The City Manager presented the FY 2013 Proposed Budget to the City Council on August 9, 2012. The proposal includes enhancements to civilian compensation and adjustments to benefits. The recommendations are aligned with the City's philosophy to provide a competitive compensation and benefits package to attract and retain a highly skilled workforce. Over the last six years, the City has worked to increase salaries to market competitive rates and provide quality health care at an affordable cost to employees and to the City.

The following information outlines the proposed total compensation package for civilian employees in FY 2013.

Cost of Living Adjustment (COLA) and Living Wage

The Proposed Budget includes a 2% COLA for all civilian employees. Additionally, to continue the City's commitment that employees earn a Living Wage, the proposed minimum hourly rate will increase from \$10.75 per hour to \$11.08 per hour, effective October 1, 2012.

Step Pay Plan Implementation

Phase 6, the final phase of the Step Pay Plan implementation, provides pay increases to 2,421 employees. The average salary increase will be 5.2%, in addition to the proposed 2% COLA. Since implementation of the Step Pay Plan, the average Step Plan employee salary has increased a total of \$8,758 from \$27,509 to \$36,267.

On April 1, 2013, eligible employees will be moved to the appropriate step. Going forward, employees who are eligible for Step increases will see their pay move to the next step every year on the anniversary of their date of rank until they reach the maximum of their pay range.

Holiday Closing

City offices will again close during the week between Christmas and New Year's Day from December 24th to January 1st. Of these days, five are City holidays and two are on a weekend. For the two remaining days, employees will have the option of using Personal Leave, Annual Leave, Comp Time, or Voluntary Leave Without Pay.

Reductions of Positions

As a result of efficiencies and redirections, the City has proposed the reduction of 163 total positions, including 61 grant positions, and 102 full time and part time civilian positions, about half of which are filled. It is estimated that all classified employees will be provided placement options within the City with no changes to their salaries or dates of rank.

Health Care Plans and Premiums

As presented in the Proposed Budget, employees will continue to have the option of participating in the Value, Standard, and Premier PPO health plans, with adjustments to office visit co-pay and deductible amounts. In addition, **Consumer Choice**, a Consumer-Driven Health Plan (CDHP), will be offered as a fourth PPO health plan option.

With the Consumer Choice health plan, there are no co-pays. Until you meet your deductible, you are responsible for 100% of the cost of health care services. Once you meet your deductible, co-insurance (percentage you pay for health care services after you meet your deductible) applies—you pay 20% and the City pays 80%. Consumer Choice also allows you to save for your future health care costs and pay for routine health care expenses with a City-funded Health Savings Account (HSA). As proposed, the City will provide a \$500 contribution (\$1,000 for family) to an employee's HSA. Unlike a Flexible Spending Account (FSA), what you do not spend during the year rolls over to the next year plus interest. Additionally, the funds in the account are yours to keep and take when you leave the City. Like in the Value, Standard and Premier plans, employees continue to have the freedom to select their providers in the Consumer Choice plan.

Let's Talk About...



As you know, the City contributes a significant amount toward your monthly health care premium in addition to what is deducted from your paycheck. In 2013, premiums for the Value health plan will not increase, and the new Consumer Choice plan will have premiums lower than the other health plan options. Additionally in 2013, the City will begin equalizing contributions toward premiums in the Standard and Premier health plans. Employees enrolled in the Premier health plan will pay the difference between Standard and Premier to obtain the higher coverage, and this increase will be phased in over two years.

2013 Proposed Monthly Health Care Premiums

Employees Hired Before January 1, 2009					Employees Hired After January 1, 2009				
	Consumer Choice	Value	Standard	Premier		Consumer Choice	Value	Standard	Premier
Employee Only	\$5	\$7	\$38	\$200	Employee Only	\$6	\$12	\$79	\$266
Employee + Child(ren)	\$9	\$18	\$100	\$390	Employee + Child(ren)	\$42	\$83	\$199	\$536
Employee + Spouse / Domestic Partner	\$36	\$72	\$171	\$530	Employee + Spouse / Domestic Partner	\$96	\$192	\$331	\$712
Employee + Family	\$46	\$92	\$233	\$721	Employee + Family	\$125	\$250	\$449	\$980

2013 Proposed Deductibles, Out-of-Pocket Maximums, Office Visits, & Health Savings Accounts

Deductibles, Out-of-Pocket Maximums, Office Visits, & Health Savings Accounts				
In-Network Benefits	Consumer Choice	Value	Standard	Premier
City Contribution to Health Savings Account (HSA) (Individual/Family)	\$500/ \$1,000	N/A	N/A	N/A
Preventive Care	Covered at 100%			
Annual Deductible (Individual/Family)	\$1,250/ \$2,500	\$900/ \$1,800	\$750/ \$1,500	\$500/ \$1,000
Annual Out-of-Pocket Maximum (Individual/Family)	\$4,000/ \$8,000	\$3,000/ \$6,000	\$2,400/ \$4,800	\$1,200/ \$2,400
Office Visits: Primary Care/Specialist/Urgent Care	80%/20% (after deductible)	\$25/\$35/\$40	\$25/\$35/\$40	\$25/\$35/\$40

2013 Proposed Prescription Co-Pays

Tier	30-Day Retail Co-Pay
Tier 1 (Generics)	\$7
Tier 2 (Preferred Brand Formulary)	\$25
Tier 3 (Non-preferred Brand)	\$50
Tier 4 (Specialty)	\$75

The 2013 prescription drug plan helps you manage pharmacy costs by encouraging the use of generic medications. Additionally, a fourth tier will be added to the plan for specialty drugs, and prescription drug co-pays have been modified to align with industry standards.

Note: Prescription drug co-pays do not apply to the Consumer Choice plan. With this plan, you pay the full cost of the medications until you meet the deductible. For IRS-approved maintenance drugs, such as those used to control or manage blood pressure, diabetes, osteoporosis, and cholesterol, you will only pay 20% of their cost since they are not subject to the deductible.

Tobacco Cessation

As proposed in 2012, non-tobacco users will avoid a \$40 monthly fee by remaining tobacco-free. Employees will be asked to self-report their tobacco use during annual benefits open enrollment. Tobacco cessation programs will continue to be offered to employees and their spouses/domestic partners who would like to quit using tobacco and tobacco cessation prescription medications will continue to be covered at 100%.

Let's Talk About...



Employee Wellness Program

The Employee Wellness Program will continue to focus on helping you improve your overall health and well-being. Initiatives include an Outcome-Based Rewards Program that will reward you with up to \$200 for achieving or maintaining pre-determined health standards in cholesterol, glucose, BMI, and blood pressure. New for this year is the Virgin HealthMiles initiative which lets you earn up to an additional \$500 for staying active throughout the year. In total, you have the potential to earn up to \$700 in contributions to an HSA or FSA.

Several existing Employee Wellness Program initiatives will continue in FY 2013 including the Health Coach Program. Through the Health Coach Program, you have access to two on-site UnitedHealthcare health coaches. The health coaches can provide group or one-on-one sessions that offer health and wellness information, an assessment of your personal risk factors, and support and motivation as you work toward creating a healthier lifestyle.

More to Come

Be on the lookout in the coming weeks for additional information about your 2013 health care plan options, the new Consumer Choice health plan, Health Savings Accounts, and the enhanced wellness program. 2013 Employee Benefits Open Enrollment will be **October 15 - November 14**. This year, you **must** actively enroll yourself and your eligible dependents during open enrollment. Last year's health care selections **will not** automatically roll over. If you have any questions, contact your department's Human Resources Generalist or Human Resources Customer Service at 207-8705.