

# FY 2017 Proposed Budget - Impact on Our City Workforce

These changes, if approved by City Council, will be implemented with the FY 2017 budget.

## No layoffs or furloughs in FY 2017.

## Continue 45 day hiring delay for general fund positions.

## Employee Pay Package Changes Effective 9/25/2016, Listed in Order of Application:

- **Classification reassignments** of 5 positions, based on the results of annual classification and compensation plan maintenance – 5% pay increase, time in class resets, no additional adjustment toward midpoint.
- **25¢ per hour Across the Board salary adjustment** for all permanent employees who are not at or above the new maximum pay range rate. (\$0.1786 per hour increase for 56 hour employees.)
- **The ATB will not cover all of the health insurance increases.**

## Classification and Compensation Policy Implementation and Plan Maintenance:

The City is in the fourth year of implementation of the classification and compensation policy adopted in FY 2014:

- **159 classifications reviewed** as part of annual plan maintenance. Classifications reviewed include those that experienced recruitment challenges and all classifications with a midpoint of \$72,000 or less.
- 5 positions reassigned; 3 received a market adjustment and 1 class separation occurred.
- **9 reorganization requests** reviewed. Reorganizations in FY 2017 will be fairly significant, and may change your reporting relationship.
- No pay structure adjustments to pay bands in FY 2017.
- No funding available in FY 2017 for time in classification adjustments toward the pay range midpoint.

## Other Changes:

- Fire Department personnel will move from biennial medical physicals to annual medical physicals.
- All employees in jobs that require possession of a Commercial Driver's License (CDL) as a minimum qualification in the job description will be required to have a DOT medical physical once every two years.
- Overtime eligibility changes will be implemented December 1, 2016 to comply with revised U.S. Department of Labor overtime rules.

## Health/Dental/Voluntary Insurance – Effective 1-1-17:

- **Employee and dependent health gross premium rates will increase 13.8% in 2017.** The total increase is shared by the City and employees.
  - The City contributions will increase for employee coverage under the health plan.
  - All employees will continue to pay a portion of their health insurance premiums for the \$750 and \$1,500 deductible PPO plans. Employees can save in premiums by moving to the \$1,500 deductible PPO plan or the High Deductible Health Plan (HDHP).
  - City will continue to pay the full cost of employee health insurance premiums in the HDHP, and employee dental premiums in all plans.
- The **\$750 deductible PPO plan will be closed to all new enrollments** beginning 1/1/2017. Employees currently enrolled in this plan may stay, but once they leave they cannot return. Employees currently enrolled in the \$1500 deductible PPO plan and HDHP will not be allowed to enroll in the \$750 deductible PPO plan during open enrollment for plan year 2017.
- City contributions to Health Savings Accounts (HSAs) under the HDHP will remain at \$125/month for employee only coverage, and \$250/month for family coverage. For these contributions the definition of family coverage includes Employee & Spouse, Employee & Child(ren), and Full Family.
- No plan design changes to medical, dental prescription drug, or voluntary benefit plans.
- **Pre-65 retiree** health premium rates will increase 13.8% in 2017.

- **Post-65 retiree** health premium rates are expected to reflect a general premium increase under the fully insured plan.
- **Employee and dependent dental gross premium rates will decrease 4.5% in 2017.** The City contributions will decrease per employee under the dental plan. Employees covering dependents under the dental plan will have a decrease in their premiums.
- **There are no rate or plan changes for VSP or Humana in 2017.**
- **Benefit education will be provided onsite Wednesday 8/17/2016 and Thursday 8/18/2016 by UnitedHealthcare in partnership with Central Bank of Boone County and ASIFlex.** More details on locations and meeting times will be provided soon.

CITY OF COLUMBIA, MO PAY & HEALTH INSURANCE HISTORY 2006 - 2016				
Fiscal Year	ATB Increase	Performance Pay	Move Toward Midpoint*	Health Insurance Change
2016	2%	NONE	20% of diff between pay & midpoint	NONE
2015	2%	NONE	20% of diff between pay & midpoint	NONE
2014	NONE	NONE	NONE	NONE
2013	\$0.27/hour	NONE	NONE	4.8%
2012	\$0.25/hour	NONE	N/A	NONE
2011	NONE	NONE	N/A	7%
2010	NONE	NONE	N/A	(2.9%)
2009	\$0.25/hour	0% - 3% (3% Max)	N/A	7%
2008	1.5% or \$0.30/hour	0% - 3% (3% Max)	N/A	4.1%
2007	4% or \$0.50/hour	NONE	N/A	(11.6%)
2006	3% or \$0.38/hour	1%	N/A	12.5%

\*Part of compensation & classification system adopted in FY 2014 – employees with 5 years time in class as of March 1<sup>st</sup> were eligible

BI-WEEKLY DENTAL PREMIUMS FOR ACTIVE EMPLOYEES Effective 1/1/2017 (4.5% Decrease to Gross Premiums)			
Dental Plan Tiers	Current 2016 Employee Bi-Weekly Cost	2017 Employee Bi-Weekly Cost	Bi-Weekly Savings if stay in Current Tier
Employee Only	\$0.00	\$0.00	
Employee & Spouse	\$16.47	\$15.73	(\$0.74)
Employee & Child(ren)	\$16.47	\$15.73	(\$0.74)
Full Family	\$32.91	\$31.43	(\$1.48)
2 City Employees with kids*	\$8.18	\$7.81	(\$0.37)
* = bi-weekly cost for each employee			

**COMPARISON OF IMPACT OF BI-WEEKLY MEDICAL PREMIUMS FOR ACTIVE EMPLOYEES**

**Effective 1/1/2017**

**(13.8% increase to gross premiums)**

	<b>Current 2016 Employee Bi-Weekly Cost</b>	<b>2017 Employee Bi-Weekly Cost</b>	<b>2017 Bi- Weekly Increase if stay in \$750</b>	<b>2017 Bi- Weekly Savings if move from \$750 to \$1500</b>	<b>2017 Bi- Weekly Savings if move from \$750 to HDHP</b>
<b>\$750 PPO Plan Tiers</b>					
Employee Only	\$20.91	\$23.78	<b>\$2.87</b>	<b>(\$13.16)</b>	<b>(\$20.91)</b>
Employee & Spouse	\$200.72	\$236.80	<b>\$36.08</b>	<b>(\$30.21)</b>	<b>(\$44.99)</b>
Employee & Child(ren)	\$134.59	\$158.72	<b>\$24.13</b>	<b>(\$29.23)</b>	<b>(\$41.26)</b>
Full Family	\$320.74	\$385.28	<b>\$64.54</b>	<b>(\$34.05)</b>	<b>(\$55.08)</b>
2 City Employees Married/DP w/kids*	\$61.72*	\$80.42*	<b>\$18.70*</b>	<b>(\$30.59)*</b>	<b>(\$41.11)*</b>
<b>* = bi-weekly cost for each employee</b>					
<b>\$1500 PPO Plan Tiers</b>					
	<b>Current 2016 Employee Bi-Weekly Cost</b>	<b>2017 Employee Bi-Weekly Cost</b>	<b>2017 Bi- Weekly Increase if stay in \$1500</b>	<b>2017 Bi- Weekly Savings or Increase if move from \$1500 to HDHP</b>	<b>\$750 Closed to New Enrollments</b>
Employee Only	\$6.81	\$7.75	<b>\$0.94</b>	<b>(\$6.81)</b>	
Employee & Spouse	\$145.68	\$170.51	<b>\$24.83</b>	<b>\$10.05</b>	
Employee & Child(ren)	\$89.83	\$105.36	<b>\$15.53</b>	<b>\$3.50</b>	
Full Family	\$241.88	\$286.69	<b>\$44.81</b>	<b>\$23.78</b>	
2 City Employees Married/DP w/kids*	\$22.29*	\$31.13*	<b>\$8.84*</b>	<b>(\$1.68)*</b>	
<b>* = bi-weekly cost for each employee</b>					
<b>\$2600 HDHP Plan Tiers</b>					
	<b>Current 2016 Employee Bi-Weekly Cost</b>	<b>2017 Employee Bi-Weekly Cost</b>	<b>2017 Bi- Weekly Increase if stay in HDHP</b>	<b>2017 Bi- Weekly Increase if move from HDHP to \$1500</b>	<b>\$750 Closed to New Enrollments</b>
Employee Only	\$0.00	\$0.00	<b>\$0.00</b>	<b>\$7.75</b>	
Employee & Spouse	\$132.69	\$155.73	<b>\$23.04</b>	<b>\$37.82</b>	
Employee & Children	\$79.26	\$93.33	<b>\$14.07</b>	<b>\$26.10</b>	
Full Family	\$223.40	\$265.66	<b>\$42.26</b>	<b>\$63.29</b>	
2 City Employees Married/DP w/kids*	\$15.76*	\$20.61*	<b>\$4.85*</b>	<b>\$15.37*</b>	
<b>* = bi-weekly cost for each employee</b>					

City H.S.A. contributions remain the same at \$125/month for Single or \$250/month for Family

## MEDICAL PREMIUMS FOR ACTIVE EMPLOYEES (Effective 1/1/2017)

	<b>Current</b> 2016 Gross Monthly Medical Premiums	2017 Gross Monthly Medical Premiums	2017 City Monthly Contribution	2017 Employee Monthly deduction *	2017 Employee Bi- weekly deduction*	Cents Per hour change in Pay *
<b>\$750 PPO Medical Plan</b>						
Employee Only	\$436.41	\$496.43	\$448.87	\$47.56	\$23.78	<b>(\$0.03)</b>
Employee & Spouse	\$895.71	\$1,018.90	\$545.31	\$473.59	\$236.80	<b>(\$0.42)</b>
Employee & Child(ren)	\$729.87	\$830.25	\$512.82	\$317.43	\$158.72	<b>(\$0.28)</b>
Full Family	\$1,276.44	\$1,451.99	\$681.43	\$770.56	\$385.28	<b>(\$0.74)</b>
2 City Employees Married/DP with kids*	\$1,276.44	\$1,451.99	\$1,130.30	\$321.69	\$80.42	<b>(\$0.22)</b>
<b>\$1500 PPO Medical Plan</b>						
Employee Only	\$408.22	\$464.36	\$448.87	\$15.49	\$7.75	<b>(\$0.01)</b>
Employee & Spouse	\$779.16	\$886.32	\$545.31	\$341.01	\$170.51	<b>(\$0.29)</b>
Employee & Child(ren)	\$636.05	\$723.53	\$512.82	\$210.71	\$105.36	<b>(\$0.18)</b>
Full Family	\$1,103.09	\$1,254.80	\$681.43	\$573.37	\$286.69	<b>(\$0.52)</b>
2 City Employees Married/DP with kids*	\$1,103.09	\$1,254.80	\$1,130.30	\$124.50	\$31.13	<b>(\$0.10)</b>
<b>\$2600 HDHP Medical Plan</b>						
Employee Only	\$394.60	\$448.87	\$448.87	\$0.00	\$0.00	No Change
Employee & Spouse	\$753.18	\$856.76	\$545.31	\$311.45	\$155.73	<b>(\$0.27)</b>
Employee & Child(ren)	\$614.91	\$699.48	\$512.82	\$186.66	\$93.33	<b>(\$0.16)</b>
Full Family	\$1,066.13	\$1,212.75	\$681.43	\$531.32	\$265.66	<b>(\$0.49)</b>
2 City Employees Married/DP with kids*	\$1,066.13	\$1,212.75	\$1,130.30	\$82.45	\$20.61	<b>(\$0.06)</b>

\* = cost for each employee