

COUNCIL ACTION FORM

SUBJECT: HEALTH INSURANCE AUTHORIZATION FOR TEMPORARY PROJECT EMPLOYEE

BACKGROUND:

Conversion of the City's power plant from coal to natural gas requires a significant amount of engineering, installation of equipment, and modification and construction in the power plant. One of the critical tasks with this conversion is doing precise, detailed drawings and schematics for the project.

For the past two years a temporary employee has assisted Electric Engineering staff in accomplishing this work. This employee has the unique skill set of architecture, Auto Cad and experience doing this detailed work. The work is critical in keeping the conversion project on track and in documenting the changes that have taken place.

To keep up with this work has required a person working 40 hours per week. The Affordable Care Act (ACA) requires that the City offer health insurance benefits to employees working over 1,560 hours in a year. At the February 2, 2015 City Council meeting, the City Council authorized health insurance coverage for this individual, rather than create or modify a permanent FTE for this short term need. At that time it was anticipated that this individual would work through April of 2016. **With the conversion taking longer than originally planned, and due to the volume of drawings that need updating, staff desires to continue the full time employment of this individual through approximately July of this year.** To do so, health insurance benefits must continue to be extended to comply with the ACA.

This employee will continue to be offered full open enrollment in the City's health insurance program with the same cost sharing options as regular, full-time City employees. If the offer is accepted, funding will come from the Electric Production budget.

ALTERNATIVES:

1. Authorize continued health insurance benefits to this temporary employee to complete this special project.
2. Authorize an additional FTE over the next five months to accomplish this work. This would be a more costly way to fill this project need.

3. Reduce the hours this individual works and discontinue health insurance on May 1, 2016. This alternative would jeopardize an important component of the power plant conversion process.

MANAGER'S RECOMMENDED ACTION:

This is a unique situation that falls part-way between “permanent” and “temporary” employment. The recommended alternative provides for retaining the current individual in support of the power plant fuel conversion while ensuring that the City is compliant with the federal Affordable Care Act.

Therefore, it is the recommendation of the City Manager that City Council adopt Alternative No. 1 as described above.