

COUNCIL ACTION FORM

SUBJECT: HEALTH INSURANCE AUTHORIZATION FOR TEMPORARY
EMPLOYEE

BACKGROUND:

On February 2, 2015 and March 1, 2016, City Council authorized extending health insurance benefits to a temporary project employee at Electric Services in order to remain compliant with the Affordable Care Act (ACA). The most recent Council Action Form erroneously sought an extension of this authority through July 2016. In fact, the project work will extend through July of 2017. Council authorization is now sought through that date.

As a part of the fuel conversion at the Power Plant, precise, detailed drawings and schematics are being prepared. For the past two years a uniquely skilled temporary employee has assisted Electric Engineering staff in accomplishing this work. The work is critical in documenting the changes that have taken place.

In order to accomplish this assignment, this temporary employee is needed to work 40 hours per week until July 2017. **The Affordable Care Act requires that the City offer health insurance benefits to any employee working over 1,560 hours in a year. Due to the volume of drawings that need updating, staff desires to continue the full-time employment of this individual through approximately next July 2017. To do so, health insurance benefits must continue to be extended to comply with the Affordable Care Act.**

ALTERNATIVES:

- 1) Authorize continued health insurance benefits to this temporary employee through July 2017 to complete this special project.
- 2) Authorize an additional FTE to accomplish this work or direct staff to contract for these services. This alternative will prove to be a more costly approach to fulfill this project need.
- 3) Do not provide any additional personnel for a temporary period to help accomplish this critical task.

MANAGER'S RECOMMENDED ACTION:

This is a unique situation. The recommended alternative provides for retaining the current individual until July 2017 in support of the Power Plant Fuel Conversion project, 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 stated above.