

COUNCIL ACTION FORM

SUBJECT: HEALTH INSURANCE AUTHORIZATION FOR TEMPORARY PROJECT EMPLOYEE

BACKGROUND:

For the past two years, a temporary employee has assisted Electric Engineering staff in accomplishing precise, detailed drawings and schematics for the power plant coal to natural gas conversion. This employee has the unique skill set of architecture, Auto Cad, and experience doing this detailed work. The work has been critical in keeping the conversion project on track and in documenting the changes that have taken place.

In order to accomplish this assignment, this temporary employee has needed to work 40 hours per week. **The Affordable Care Act requires that the City offer health insurance benefits to any employee working over 1,560 hours in a year.** On February 2, 2015 and June 28, 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).

As the plant conversion project is nearing completion, this temporary employee's talents are being used to check and update other plant related drawings. The Electric Director has determined that sufficient documentation work exists throughout Electric Services to justify the creation of a permanent full-time position. Staff is not requesting a new FTE. Rather, an authorized, vacant coal handler position will be reclassified. This reclassification will take several months to accomplish. **In the meantime, staff desires to continue the temporary position, with health care benefits, until the reclassification is complete and the position is filled.** Health insurance benefits must continue to be extended to the temporary position to comply with the Affordable Care Act.

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

ALTERNATIVES:

1. Authorize continued health insurance benefits to this temporary employee.
2. Reduce the hours this individual works in FY 2017/18 to less than 1,560 hours and discontinue health insurance on July 1, 2018.

The City Council should understand that even by supporting this option, the City would be obligated to offer health insurance to this employee. The ACA has a “look back” provision which requires the City to provide insurance to this employee based on her previous work hours.

MANAGER'S RECOMMENDED ACTION:

This is a unique situation that bridges the gap between the creation of a “permanent” position and the existing “temporary” position. The recommended alternative provides for retaining the current individual in support of the electrical engineering division 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.