

**Citizen's Committee
on
Council Member
Health Benefits**

Findings and Conclusions

March 18, 2008

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Creation of the Committee:

On January 8, 2008, the Tacoma City Council adopted Resolution No. 37367, creating a three-member Citizens Committee to evaluate the proposal in Ordinance No. 27675, regarding participation of City Council members in the City's health care benefits plan.

Thereafter, by Resolution No. 37390, dated January 29, 2008, the following persons were appointed to serve on the Citizen's Committee on City Council Health Benefits:

- Jonathan Phillips – Former City Council Member
- Sharon Winters – Human Resources Expert
- John Pellessier – City of Tacoma Resident

The Committee initially met on February 5, 2008, during which Jonathan Phillips was elected Chair of the Committee.

MEETING SCHEDULE:

The Committee met on the following dates:

Wednesday, February 6, 2008;

Friday, February 8, 2008;

Friday, February 22, 2008;

Friday, February 29, 2008; and

Wednesday, March 5, 2008.

Question 1:

Should City Council members be eligible to participate in the City's health benefits program?

The City Council members are, in fact, currently eligible to participate in the City's health benefits program.

They are not, however, currently entitled to participate at either the part- or full-time employee monthly payment rate.

The Committee believes and recommends that City Council members should be eligible to participate in the City's health benefits program at the same rate as any other employee of the City, whether part- or full-time.

For background on this question, the Committee felt it valuable to survey regional cities and counties, asking what their current policy was regarding City Council benefits (specifically health care).

SEE APPENDIX A

To summarize, there was no significant trend noted. Some cities provided full benefits to their City Council members, others provided partial benefits, and several provided no benefits.

The Committee then considered what effect the current cost of opting into the City's health care benefits plan might have on anyone considering becoming a City Council member. One example of the current cost of one of the plans is \$1030.00 per month, which is almost half of a City Council member's current monthly salary after taxes.

The Committee felt that while having health care benefits for City Council members would probably not induce someone to run for office, they were nevertheless concerned that the lack of affordable health care benefits might act as a disincentive to qualified individuals who were willing to take on the responsibilities of the job.

The Committee therefore finds that City Council members should be eligible to participate in the City's health care benefits program in a manner commensurate with their employment status as either full- or part-time.

Question 2:

If City Council members should be eligible to participate in the City's health benefits program, should they pay an employee contribution in the same manner as full-time employees, as set forth in TMC 1.12.095(1), or should they pay an employee contribution in the same manner as part-time employees, as set forth in TMC 1.12.095(2)?

To answer this question, the Committee first examined the legal basis for the City Council's employment status. We considered the City Charter and the Tacoma Municipal Code, as well as the Revised Code of Washington.

The examination of Code brought to light a unique situation, City Council members are not defined as either full- or part-time employees.

They are considered as elected officials that the City of Tacoma pays at a determined rate (starting with \$25 per meeting in 1953, and \$36,026 per year currently).

They are defined by the City's retirement system as full-time (see Ordinance No. 26574 dated February 22, 2000).

Their hours of work in the City's payroll system is shown as '80 hours' (see sample payroll statement, Appendix B) because it has been determined that is the only way to pay the full salary (less hours would pro-rate the base amount).

The Committee sought clarification from the City's legal staff (see email from Assistant City Attorney Cheryl Comer, Appendix C).

The Committee also conducted an informal survey of current City Council members and several outgoing City Council members (See Appendix D). This survey showed that most City Council members felt that they spent less than that of a full-time position while one spent somewhat more than full-time. (The average was 32 hours per month.) Anecdotal information from Former City Council Member/Committee Chair Jonathan Phillips supported the very fine line between part- and full-time hours (40 hours/week vs. 32 hours/week) that a City Council member could spend in the course of their duties, given the 'on-call' nature of a City Council member position.

There is no doubt that the duties of a City Council member expanded dramatically with the creation of the City Council Committee structure a few years ago. Typical committee assignments for a City Council member would be as a member of three Council Standing Committees, perhaps chairing one,

and as an alternate for one or two other committees. They may also be appointed to represent the City in regional Councils, Boards, and Committees. These committee and other assignments generally meet twice per month, but can meet more often (the Economic Development Committee meets approximately 3-4 times per month).

Those committee duties, along with the day-to-day responsibility of a City Council member (responding to and meeting with constituents and Neighborhood Councils, etc.), combined with City Council meetings and the 'on-call' nature of the position would tend to support the informal survey's findings that the average City Council member is approaching a full-time status in their duties (if they have not already individually reached it).

It is the very different nature of a City Council member's employment status that prevents the Committee from simply performing easy arithmetic to determine if a City Council member is full- or part-time.

Those differences include, but are not limited to the following:

- City Council members do not have a formal, detailed job description or classification;
- City Council members do not have vacation days or sick leave defined, although the City Charter defines the number of meetings that the City Council shall conduct each year;
- City Council members determine individually, and as a body, what tasks, responsibilities, and jobs they will undertake and what amount of time each of them will devote to those tasks;
- City Council members can expect to respond to duties, conditions, and constituents on weekdays, weekends, holidays, and during the daytime and nighttime hours. Their position is essentially 'on-call'. There is no minimum or maximum level of service defined; and
- City Council members are paid a flat salary, and there is no mechanism for advancement in the position (other than a 1 year appointment as Deputy Mayor).

Based on our cited research, the Committee finds that City Council members should pay an employee contribution in the same manner as part-time employees. With that finding, we move to the final question.

Question 3:

If the Committee recommends that City Council members should pay an employee contribution in the same manner as part-time employees, what basis should be used to calculate the pro-ration?

The Committee would first like to establish that full- and part-time employees who participate in the City's health care benefits program ALL pay a monthly amount for their coverage.

The difference is that full-time employees (FTE) pay the least, with the payment increasing as the FTE percentage decreases (from .9 FTE to .4 FTE – see Appendix E).

An example in the difference in monthly payment (which differs by plan chosen) between a .9 FTE and a 1.0 FTE is illustrated by the following example:

Regence Selections Plan – Full-Time	= \$ 96.00/month
Regence Selections Plan – .9 FTE	= \$189.40/month
<u>Difference due to employee status</u>	<u>= \$ 93.40/month</u>

The Committee has concluded that a City Council member most closely resembles a .8 FTE; however, the nature of a City Council member's duties and responsibilities are expanding. In addition, the nature of the job itself is one of an 'on-call' nature, with 24-hour, 7-days a week availability year-round.

That being established, the Committee finds the following:

In the absence of the creation of a specific classification for City Council members (see Recommendations, following Findings) the Committee believes that City Council members should pay for benefits in the City's health care benefits program on the same basis as that of a .9 FTE employee of the City.

FINDINGS:

- 1.) City Council members should be – and in fact are – eligible to participate in the City of Tacoma’s health benefits program; however, they are not currently eligible to participate in the same way as all other current full- or part-time employees of the City. The City Council should be allowed to participate in the health care benefits program in a manner commensurate with either full- or part-time employment status.
- 2.) Based on our cited research, the Committee finds that City Council members should pay an employee contribution in the same manner as part-time employees.
- 3.) Recognizing the singular nature of their job as full-time elected employee - which takes into consideration a City Council member’s unique hiring process, job requirements and ‘on-call’ nature – as well as the expanding nature of the job’s responsibilities, City Council members should participate in the health care benefits program at the basis of a .9 Full Time Employee (FTE).

RECOMMENDATIONS:

The Committee would like to respectfully present the following recommendations to the City Council for their consideration.

- 1.) The Committee recommends that the City Manager undertake to establish an employment classification for 'elected official.'
- 2.) The Committee recommends that the City Manager undertake to add the newly created 'elected official' classification to the next Total Compensation or similar survey done for the purpose of establishing pay and benefits for City employees.
- 3.) The Committee recommends reviewing the City Council members' total pay and benefits plan every four years, or another interval the City Council and City Manager find appropriate.