

**Oak Harbor City Council Retreat
March 3, 2012
Skagit Valley College
Room 306 – 8:00 a.m. – 4:30 p.m.**

IN ATTENDANCE

Mayor Scott Dudley
Six members of the City Council,
Danny Paggao, Mayor ProTem
Rick Almberg
James Campbell
Tara Hizon
Joel Servatius
Bob Severns

Steve Powers, Interim City Administrator
Margery Hite, Special Legal Council
Bill Hawkins, City Attorney
Karen Crouch, Executive Assistant

A continental breakfast was held from 8:15 a.m. - 8:45 a.m.

Interim City Administrator Powers welcomed those present and introduced Stephanie Smith, who will facilitate the morning portion of the meeting.

Ms. Smith reviewed the agenda and noted she is responsible for the agenda items up to the afternoon session on Personnel Practices.

Councilmember Severns expressed concern with the fact that Councilmember Munns was unable to attend the retreat due to a previously scheduled commitment. He added it was his belief the retreat date could have been rescheduled to allow for all council members to be there. Councilmember Almberg echoed Mr. Severns' concerns and the belief the retreat could have been rescheduled. Mayor Dudley apologized for the situation and advised the Council future retreats will be scheduled far in advance so everyone can attend. He added he has a December timeframe in mind for a follow-up retreat. Mayor ProTem Paggao noted the absence of the department heads, adding they have been present at past retreats. Ms. Smith advised it had been her recommendation to the Mayor and Mr. Powers the initial retreat be structured in this manner without the department heads with the intention of including them in the follow-up retreat.

Ms. Smith thanked the Council members for their comments, adding she does not want the attendance decision to impede what the Council will be accomplishing during the retreat.

Ms. Smith advised the retreat objective is to create an environment where the newly elected City Council and Mayor can get to know each other and understand how each other communicates and works as a team for the purpose of updating the City's goals and

working on the City's Mission and Vision statements. She added this will allow the Council to effectively and efficiently direct City staff on approved projects and budgets.

Ms. Smith discussed "Rules of the Road" and noted that everyone participating in the retreat should commit to honoring the rules which will create an environment for all to share their thoughts and opinions as appropriate.

Ms. Smith reviewed the brainstorming process by which ideas, concepts and/or projects would be shared by the group and charted under the appropriate heading. She also discussed the SMART Model which will be used to define and refine ideas put forward during the brainstorming session. The brainstorming process and SMART Criteria are attached as Exhibit A.

The Council members participated in a teambuilding/creative word activity to engage the creative side of the brain and to encourage them to work as a team and not individuals.

The Council members participated in the brainstorming exercise by listing ideas in the following categories:

**** List provided by retreat facilitator, Stephanie Smith, those in bold were the top 6 selected by the City Council for the SMART model and are listed in no particular order**

Projects –

- Gateway to Old Towne
- Enhance waterfront trail
- Pioneer Veterans Trail at Windjammer Park
- **Roundabouts at SR20**
- Kayak Symposium
- Fix bottleneck at Swantown and Hwy 20
- Improve storm water discharge system
- Road Maintenance Tax
- Change sign at the south end of town (correct)
- **Dredge the Marina Channel**
- New and improved City Hall
- Youth Center
- **Amphitheater/Lagoon**
- Waste water treatment plant
- Senior Center
- Fix streets
- Event Center
- **Guest Moorage at Dock St**
- Destination Hotel
- Revisit Flintstone pier
- Active neighborhood watch

Ideas –

- Increase activities so there is something to do
- Gimmick – need one
- Salt water/Fresh water aquarium
- Code 3 City (Safe City)
- Promote Native American heritage
- Promote festivals
- Enhance Navy relationship
- Improve emergency preparedness
- Stop participation Agenda 21 ICLEI
- Less drama in the newspaper

Concepts –

- Promote walking community
- Protect emergency reserve funds
- Utilize latest technology for projects
- Work for better cooperation
- Good stewards of the environment
- Create destination opportunities
- **Premier family/business destination**
- Liveable place to work and play
- **Sound fiscal policy/Triple A rating**
- Promote infill community

The Council members established their top 6 concepts, ideas and/or projects and used the SMART Model for their review as follows:

1. **Premier Family/Business Destination**

Specific – yes (activities, livable, schools, safe, walkable, shopping, infrastructure, fiber optics, new industry, wage base, technology).

Measureable – yes (school test scores, demographics, Triple A rating).

Attainable – yes (be aware of roadblocks such as funding and public resistance).

Realistic – some

Timebound – some

The Council agreed this concept and/or idea will depend upon social priorities and the fact it will require collaboration with other partners in the City.

2. **Sound Fiscal Policy/Triple A Rating**

Specific – yes

Measureable – yes

Attainable – yes

Realistic – yes

Timebound – yes (urgent for budgeting purposes)

The Council noted everything is dependent upon funding.

3. **Amphitheater/Lagoon**

It was noted this project has been discussed previously and is included in the Windjammer Plan. The proposal included the reshaping of the lagoon and the addition of enhancements around the lagoon.

Specific – yes

Measureable – yes

Attainable – yes (with funding)

Realistic – yes

Timebound – yes (not as high a sense of urgency)

*** The Mayor and Council noted the new Wastewater Treatment Facility project is a foregone conclusion and that is why it is not listed among the top six concepts, ideas and/or projects currently being discussed. It was agreed the project will be costly and will affect the timelines of other projects.***

4. **Guest Moorage at Dock St**

Specific – yes

Measurable – yes

Attainable – yes (it was noted this project has been under consideration for numerous years in various stages and the Council could redefine a new vision of an “old” project).

Realistic – yes (based on “redefine” discussion)

Timebound – yes (could be a sense of urgency in order to get ahead of changing regulations)

5. Dredge the Marina Channel

Specific – yes (improves access)

Measureable – yes

Attainable – yes

Realistic – yes

Timebound – yes and there is a sense of urgency

6. Roundabouts at SR 20

Specific – yes (Swantown to 8th Ave or in pairs)

Measureable – yes

Attainable – yes with collaboration from DOT – safety corridor

Realistic – see above

Timebound – see above

***The participants took a ten minute break at 10:10**

The Mayor and Council participated in a team building/communication activity which acknowledges their jobs and lives outside the Council and the fact that partnership and collaboration between the Council members is essential. The exercise promoted creative thinking, problem solving, and communication.

During the round robin sharing portion of the retreat, the Mayor and Council members were each given the opportunity to discuss the City's strengths and opportunities and the collective goal for the City.

The Mayor and Council discussed the current Vision and Mission Statements. During the discussion several different revisions were suggested. The following language captures those revisions:

Vision Statement: “Oak Harbor...a vibrant Whidbey Island waterfront community where everyone is welcome and encouraged to thrive.”

Mission Statement: The City of Oak Harbor is committed to creating a vibrant community by delivering quality services, enhancing the quality of life, and fostering economic opportunities.

The Mayor and Council discussed the current goals and the need to ensure they are in alignment with the updated Vision and Mission Statements. They discussed possible success measurements for each and how they could be achieved. Comments are listed below:

**** Goal list provided by retreat facilitator, Stephanie Smith. ****

Goal 1: Promote a healthy and growing business community.

Success measurement: annual sales tax revenue

How: keep businesses by making it easier to open; look at codes; infrastructure

Goal 2: Improve the appearance and livability of the community.

Success measurement: community feedback; have the appropriate number of well maintained parks and trails

How: design standards; encourage community through gathering places (walking etc); bike lanes; Senior Center Plan

Goal 3: Encourage a safe community.

Success measurement: lower accident rates, insurance premiums, response times

How: design standards; funding, education and staffing impact response services

Goal 4: Build and enhance community partnerships

Success measurement: mutual agreed benefit; quality of interlocal agreements; collaborations with other political figures; participation of community (school board involvement)

How: cultivate partnerships with Navy, School, Hospitals, Freund Family

Goal 5: Deliver superior quality service to our customers.

Success measurement: survey; predictable services and service

How: provide one stop service; easy to do business; improve transportation services (what we control is the first priority)

Goal 6: Protect and enhance capital investment in the City

Success measurement:

How: infrastructure (wastewater, streets, equipment) buildings; parks

Goal 7: Promote a healthy work environment and employee excellence.

Success measurement: city wellness award; employee turnover; survey; reduction in health expenses

How: treat with respect; survey; leverage strengths; hire good people

Goal 8: Annual review of the City's overall performance.

Through discussion and clarification of the intent of this goal, it was determined that this was an accountability statement versus a goal. Council will update wording to reflect when this will occur annually and what success measurements they will be reviewing. It was also discussed that if the staff has the success measurements of the goals it will help them provide better service and reports. Council will also decide what to do when measurements are achieved and what to do when they are not.

Each of the top six concepts, ideas and/or projects were then reviewed with the idea of ensuring they are in alignment with the updated Vision and Mission Statements and Goals. At the conclusion of the discussion, the Council did not propose any revisions to the Goals.

1. Amphitheater/Lagoon

The group felt it is in alignment with the new Vision and Mission Statements and connects with Goals 1 and 2.

2. Sound Fiscal Policy/Triple A Rating

The group felt it is in alignment with the new Vision and Mission Statements and connects with Goals 6 and 8. It was noted all goals are dependent upon funding.

3. Dredge the Marina Channel

The group felt it is in alignment with the new Vision and Mission Statements and connects with Goals 1, 2, 3 and 6.

4. Guest Moorage at Dock St

The group felt it is in alignment with the new Vision and Mission Statements and connects with Goals 1, 2 and 4.

5. Roundabouts at SR 20

The group felt it is in alignment with the new Vision and Mission Statements and connects with Goals 2, 3 5 and 6.

6. Premier Family/Business Destination

The group felt it is in alignment with the new Vision and Mission Statements and connects with Goals 1, 2, 3, 4, 5 and 6.

The group broke for a half-hour lunch break.

Special Legal Council Margery Hite addressed the group, noting she would discuss basic principles of public employment. She added City Attorney Hawkins would also participate in the discussion. She noted the proposed personnel ordinance would be on the April 3rd City Council Agenda for introduction, followed by adoption on April 25, 2012.

Ms. Hite's personnel workshop presentation and power point is attached as Exhibit B. Topics of discussion included an overview of employment status, topics in compensation/hours of work and a review of revisions being presented to the present personnel ordinance.

Ms. Hite advised the Council two new unions have been created – Public Works and the Marina. She added the City Council as a whole sets the strategy for negotiations and a general strategy session will be scheduled in the near future.

General discussion was held regarding the Personnel Appeals Board, at-will employment, for-cause employment, discipline, types of discrimination, collective bargaining, contracts, and the possibility of adopting a code-of-ethics policy.

Mayor Dudley distributed an AWC publication regarding employee benefits and alternatives to the current insurance coverage provided by the City, attached as Exhibit C. He discussed the rising costs of health coverage, the percentage of coverage premiums paid for by the City, and dependent care coverage costs. He distributed information regarding the actual figures currently being paid by the City for dental, medical, life insurance, employee assistance, vision and long-term disability, attached as Exhibit D. He discussed the need to look at comparables and determine what is fair and equitable. Mayor Dudley distributed additional information regarding the current practice of providing opt out coverage and the annual budget amount broken down by department, attached as Exhibit D.

General discussion followed regarding the information provided and the sustainability of the City providing the current level of insurance for employees and their dependants. It was noted that employee costs are a large part of the City's budget. It was agreed that staff will look into comparable prices for health care.

Interim City Administrator Powers thanked everyone for their participation in the retreat.

Mayor Dudley added another retreat would be scheduled at the end of the year and suggested December 8, 2012 as a possible date.

The retreat adjourned at 4:30 p.m.

Karen Crouch, Executive Assistant

Exhibit A

Brainstorming Process:

Ideas, Concepts and/or Projects will be shared by the group and charted under the appropriate heading. Brainstorming topic is: **What's your vision of the future of the City of Oak Harbor?**

After all Ideas, Concepts and/or Projects have been captured each participant will be asked to select their top 6 (this may be adjusted based on the actual number recorded). No discussion and/or debate will occur.

The top 6 (or actual number selected) will then be put through the SMART Model. If needed, additional Ideas, Concepts and/or Projects may be pulled forward.

Once this step is completed, connections will be made to the City of Oak Harbor's current Vision and Mission statements as well as goals. These will be used as well during the wrap up session on the agenda.

The following "brainstorming rules" will be followed:

- Postpone and withhold your judgment of ideas
- Encourage wild and exaggerated ideas
- Quantity counts at this stage, not quality
- Build on the ideas put forward by others
- Every person and every idea has equal worth

SMART Criteria:

S – Specific

M – Measurable (Motivating)

A – Attainable (Actionable)

R – Realistic

T - Timebound

Exhibit B

PERSONNEL WORKSHOP

March 3, 2012

These materials were prepared as educational background for City Councilmembers of the City of Oak Harbor and do not represent policy positions of the City of Oak Harbor.

Basic Principles of Public Employment

There are a number of ways in which public employment has its own special rules and restrictions. The purpose of this workshop is to acquaint the city council with some of the ones which are important to an understanding of the city council's legislative options. A revision of the present personnel ordinance is going to be put before the city council and this workshop is intended to give the city council the background needed to make choices about the policies for city employment it wishes to adopt.

Subjects to Be Covered

The presentation falls into three main parts:

- I. An overview of employment status
 - A. For cause employment
 - B. At-will employment
 - C. Union representation
 - D. Vesting

- II. Topics in compensation/hours of work
 - A. Fair Labor Standards Act/ Washington Minimum Wage Act
 - B. State and Federally Mandated Leave

- III. Revisions being presented to the present personnel ordinance
 - A. Setting legislative priorities
 - B. Delegation of administration of personnel to mayor
 - C. Establishment of rules for at-will employees
 - D. Grievance procedures
 - E. Establishing the work period for overtime purposes
 - F. Requiring the salary/wage schedule and classification plan to be adopted with the biennial budget

Employment is largely a matter of contract. That means that an employment relationship is established by an offer and agreement to perform certain work at a specified rate of pay. Other conditions of work may also be part of the agreement. In public employment, this contract must be established upon authorization from the city council. This typically comes through adoption of legislation establishing a budget and authority to hire employees (typically including a classification plan and salary schedule with positions

authorized within it), but it may also be done by individual contract, either approved by the city council or authorized in a more general way by city ordinance/resolution.

Public employment is not inherently “for cause” employment. At-will employment is also possible. However, public employees in the state of Washington have the right to unionize. Any city or town that chooses to make its workforce “at-will” is likely to experience a unionization effort which typically results in a collective bargaining agreement with a “for cause” standard of employment.

“For Cause” or “Just Cause” Employment

“For Cause” or “Just Cause” employment requires just cause for termination. This is typically determined by reference to the Seven Elements of Just Cause:

- 1) NOTICE – Reasonable notice that the conduct was prohibited or would be punished.
- 2) REASONABLE RULES AND ORDERS –The rule or order being enforced itself must be reasonable.
- 3) INVESTIGATION – Employer conducted an investigation before imposing penalty.
- 4) FAIR INVESTIGATION – Investigation was fairly conducted.
- 5) PROOF – Substantial evidence exists that the employee is guilty of the offense.
- 6) EQUAL TREATMENT – Employee is not being treated differently from other employees who are guilty of the same offense or conduct.
- 7) FAIR AND REASONABLE PENALTY FOR THE OFFENSE – The penalty must be proportionate to the offense.

Progressive Discipline

“Progressive discipline” is the term used to describe discipline which is proportionate to the offense and gives the employee in most instances an opportunity to correct. The disciplinary scale for a minor offense or performance deficiency typically starts with counseling, then goes to an oral warning, a written warning or reprimand, a suspension without pay for 1-3 days, then from 5-10 days, then for 30 days, and ultimately to termination.

A serious offense such as insubordination may start at a suspension without pay and willful or intentional misconduct such as stealing from the employer may properly be dealt with termination at the outset.

Hypothetical #1 How Should An Offense Be Disciplined?

Assuming a system of progressive discipline, how would you expect to discipline the following:

- 1) Tardiness
- 2) On-duty drug use
- 3) Sloppy work
- 4) DUI conviction
- 5) Accidental shooting of fellow employee at work
- 6) Lying to a supervisor

Due Process

A public employee, unless at-will, has a property interest in continued employment. This means that the government may not deprive the employee of his or her employment without due process. This is a constitutional right. It extends not just to termination of employment but also to disciplinary suspensions, since those involve monetary loss.

Due process ordinarily involves notice and an opportunity to be heard prior to deprivation of a property interest. In public employment, this requires a pre-termination or pre-disciplinary hearing before the supervisor imposes discipline, for the employee to present his/her side of the case. These are known as *Loudermill* hearings after the US Supreme Court case that established the principle; they may be informal hearings but are required to be offered prior to imposition of discipline.

Grievance procedures allow the employee to appeal the imposition of discipline within the city organization prior to final determination of the discipline. These are important to ensure that discipline is appropriately imposed and to offer the employee an administrative remedy without going to court. Both the pre-termination hearing and the grievance process are “pre-deprivation” remedies. Pre-deprivation remedies are in-house checks on proper decision-making, not neutral and impartial quasi-judicial reviews after the city’s final decision has been made.

Hypothetical #2

“How can you tell if you have a “for cause” employee?”

City A has adopted a code providing a grievance process for resolving disciplinary disputes. It is available to all employees except department heads. Do employees in City A have “for cause” employment?

Due Process – Post-Deprivation Remedies

A post-deprivation remedy is typically an appeal process outside of the city administration to an independent board or commission. When the city has settled on its determination of discipline or termination, the employee has a right to appeal to this other body which has the authority to affirm, modify or reject the city’s determination of discipline. In Oak Harbor, this is the personnel appeals board.

Having such an appeals board is helpful to the City because the employee must first go to the appeals board before filing a lawsuit (based on employment contract) and any judicial

review is of the appeals board decision – so that judicial review is limited and requires a high standard to overturn.

Such an appeals board is helpful to employees because it does not necessarily require that the employee hire a lawyer and, in any event, is quick and relatively inexpensive. Independence of the appeals board is critical to its effectiveness.

At-will Employment

Certain public employees are typically “at-will”. These are employees vested with managerial and/or professional discretion and are expected to work largely without oversight. Department heads, attorneys, chief executive officers, are usually at-will for this reason.

An “at-will” employee may be fired for no reason. However, if there is a discriminatory reason or if the reason is in violation of public policy, the employee may still bring suit against the city for wrongful termination.

What is a Discriminatory Reason?

Age (40-70)
Gender
Race
Ethnicity
Disability
Religion
Marital Status
Use of A Guide Dog
Sexual Preference

Public Policy Hypothetical #3

A is the planning director for City B and an at-will employee. The Mayor wishes to approve a development application for a political supporter but A explains that the application cannot be approved in accordance with city code. The Mayor later fires A without explanation. Is this termination a violation of public policy?

Name-Clearing Hearings

While an at-will employee may be fired for no reason, if a negative reason is given, then the employee is entitled to rebut the negative reason. This is done through a name-clearing hearing.

How is a name-clearing hearing conducted?

Unionization

Under Washington state law, public employees have an absolute right to choose to bargain collectively and to choose union representation to do that. Once union representation has been chosen by the employees (as overseen by the Public Employees Relations Commission or PERC), it may be an unfair labor practice to fail to include the union in decisions which affect its membership.

Most commonly, unions negotiate with the employer to establish a collective bargaining agreement. This is the contract which applies to the members of the union and may include wages, hours, working conditions and grievance procedures (among other things).

Collective bargaining is favored under Washington law and such agreements will almost always trump other city laws and policies if the collective bargaining agreement actually covers the same subject.

If the city and the union cannot reach agreement, the failure to negotiate in good faith is deemed an unfair labor practice which may be brought to the PERC.

Interest or binding arbitration is available only to public safety employees in city employment. If the parties cannot reach agreement, an arbitrator may be selected and the decision of that arbitrator is binding.

Vested Rights

As a matter of legislative policy, the city council may set the terms of employment of existing city employees as to matters of “tenure” but not as to “earned compensation.” This distinction normally appears in matters affecting retirement benefits. The terms of retirement vest at hiring and can only be varied for employees hired after the terms have been changed.

Vesting Hypothetical #4

When employee A was hired, the mandatory age for retirement was 70. The city council adopts a new ordinance making 65 the mandatory age for retirement. Does this new ordinance apply to employee A?

Fair Labor Standards Act/ Washington Minimum Wage Act

The federal FLSA and the Washington MWA are largely co-extensive and the Washington courts tend to look to FLSA interpretation for the meaning of the MWA. Both require overtime compensation for non-exempt workers who work more than 40 hours in the work week (in general – a notable exception being the work period for fire and public safety employees).

Exempt employees within the meaning of FLSA/MWA are salaried employees who meet one of three tests:

1. Administrative employees
2. Professional employees
3. Executive employees

These terms have special meaning under the two acts and care must be taken to properly classify employees for purposes of overtime because a mistake is costly – double damages and attorney’s fees ordinarily.

Exempt Executive Employees

Job duties are exempt executive job duties if the employee

4. regularly supervises two or more other employees, and also
5. has management as the primary duty of the position, and also,
6. has some genuine input into the job status of other employees (such as hiring, firing, promotions, or assignments).

A "rule of thumb" is to determine if the employee is "in charge" of a department or subdivision of the enterprise (such as a shift). One handy clue might be to ask who a telephone inquiry would be directed to if the caller asked for "the boss." Typically, only one employee is "in charge" at any particular time. Thus, for example, if a "sergeant" and a "lieutenant" are each at work at the same time (in the same unit or subunit of the organization), only the lieutenant is "in charge" during that time.

Which city positions would you expect to fit into this exemption?

Exempt Professional Employees

The job duties of the traditional "learned professions" are exempt. These include lawyers, doctors, dentists, teachers, architects, clergy. Also included are registered nurses (but not LPNs), accountants (but not bookkeepers), engineers (who have engineering degrees or the equivalent and perform work of the sort usually performed by licensed professional engineers), actuaries, scientists (but not technicians), pharmacists, and other employees who perform work requiring "advanced knowledge" similar to that historically associated with the traditional learned professions.

What city positions might fit into this category?

Exempt Administrative Employees

The regulatory definition provides that exempt administrative job duties are

- (a) office or non-manual work, which is

- (b) directly related to management or general business operations of the employer or the employer's customers, and
- (c) a primary component of which involves the exercise of independent judgment and discretion about
- (d) matters of significance.

The administrative exemption is designed for relatively high-level employees whose main job is to "keep the business running." A useful rule of thumb is to distinguish administrative employees from "operational" or "production" employees.

Again, what city positions might you expect to fall into this category?

Leave Requirements

Under state and federal law, employers are required to offer leave under certain circumstances. Such mandated leave is not required to be *paid* leave but it requires that the position be held open for the employee's return (a temporary may be hired and, in some cases, a comparable position on return will do.).

The city of Oak Harbor offers paid leave to its employees. Does this mean that the employee is entitled to both types of leave?

Family and Medical Leave Act (FMLA)

Qualifying employees are generally entitled to three months of leave every year for their own illness or to care for close family members. The need for leave must be supported by the employee's health care provider.

Is the city required to grant an employee a part-time schedule to handle, for example, cancer treatments?

How does this work with the disability accommodation requirements of state and federal law?

Military Leave

Public employees in the state of Washington are entitled to 21 days per year of paid leave to serve in the armed forces. RCW 38.40.060.

Under most circumstances, the employer must agree to reemploy the employee after serving in the military, under terms of the federal Uniformed Services Employment and Reemployment Rights Act, 38 U.S.C. 4303 et seq. (USERRA). The reemployment rights end after five years cumulative total of military service. The rights are available whether the person is in combat, active duty for training, or inactive duty.

2008 legislation provides an employee with up to 15 days of unpaid leave while their military spouse is on leave from a deployment or before and up to deployment once the spouse receives official notification of an impending call or order to active duty. New federal legislation similarly provides for military family leave.

PERSONNEL ORDINANCE

The proposed personnel ordinance revision is intended to make the code provisions consistent with one another and to set out legislative policy on a variety of topics. The code already says:

“The city council recognizes that the management of the city and the administration of the personnel affairs of the city are administrative matters and are not legislative functions. For that reason, and also because there are complex and constantly changing state and federal regulations affecting city employees, it would be unwise, inefficient and impractical to attempt to incorporate all details of personnel policies in an ordinance, resolution or motion of the city council. Thus, the city council expressly authorizes and directs the mayor to adopt such additional or clarifying personnel policies by administrative actions. Such policies shall be in accordance with this chapter and shall be to carry out the goals and policies of this chapter. Such personnel policies as adopted shall be deemed to be not the making of new law, but instead to be the execution and implementation of the personnel system and policies provided for in this chapter and other applicable ordinances. In addition, the city council may authorize the mayor to amend or delete personnel rules and regulations adopted by the city council pursuant to resolution or motion.

The mayor may incorporate personnel policies into such handbook or other informational document for employee use.”

OHMC 2.34.110(2).

However, the city council adopted the personnel policies or employee handbook which means that those rules may not be amended by action of the mayor but by council action. In keeping with the acknowledgement that administrative matters should be in the administration, this code revision seeks to set legislative policy on important personnel matters, including the budgetary allocations. Rather than setting the details by council action (which requires substantial time and effort to update) the code delegates to the mayor the responsibility to implement council policy.

Recruitment and Hiring

It is the policy of the City of Oak Harbor that employees shall be selected on the basis of merit and fitness to perform the duties of the position for which the employee is hired. The City is an equal opportunity employer and shall not discriminate against any

employee or applicant for employment on any grounds prohibited by state or federal law including race, creed, color, national origin, sex, marital status, sexual orientation, age, honorably discharged veteran or military status, or the presence of any sensory, mental or physical disability, or the use of a trained dog guide or service animal by a person with a disability; as provided by state or federal law.

Compensation

- 1) It is the policy of the City of Oak Harbor to pay adequate levels of compensation to city employees. Providing adequate compensation to city employees promotes productivity, reduces turnover, and improves the city's ability to attract and retain qualified personnel to carry out the functions of city government. Compensation levels should reflect the market for such personnel in the region.
- 2) The human resources manager is directed to develop a wage and salary schedule for all regular positions within city government. The human resources manager shall prepare a current wage and salary schedule for presentation to the city council for consideration and adoption at the time of the adoption of the biennial budget. The wage and salary schedule, together with the current description of all regular positions within city employment to be known as "the classification plan", shall be adopted as part of the biennial salary ordinance.

Health Insurance Benefits

- 1) It is the policy of the City of Oak Harbor to provide health insurance benefits to its employees at a level which is comparable to benefits provided by other local municipal governmental entities in the state of Washington. Health insurance benefits for city employees promote the health and well-being of city employees, reduce the use of sick leave, and promote employee retention.
- 2) The level of benefits offered to city employees shall be established by the city council through the biennial salary ordinance. Part-time employees as defined herein shall not be entitled to health care benefits unless otherwise provided in an employment contract. The human resources manager shall prepare the benefit plan for city council approval.
- 3) Because an active wellness program has been shown to reduce employee use of sick leave, improve productivity and reduce the need for health care services, the city council authorizes the participation of the city of Oak Harbor in the wellness program offered by the city's health care administrator.

Hours of Work

- 1) For purposes of the Fair Labor Standards Act and the Washington Minimum Wage Act, the City of Oak Harbor declares the work period to be forty (40) hours, Monday through Sunday, for all regular employees, except police and fire department employees.

The work period for police and fire employees shall be established by the mayor or his/her designee and set out in their respective collective bargaining agreements.

2) The human resources manager and the finance director are directed to establish work hour recording and compensation procedures to comply with state and federal law.

Leave

1) It is the policy of the City of Oak Harbor to comply with all state and federal leave laws. The administrator is directed to establish procedures and practices to ensure that the city complies with such laws and can demonstrate compliance.

2) It is the city's policy to coordinate leave granted to city employees with leave requirements of state and federal law so that city-granted leave is counted towards fulfillment of any state and federal requirements. The human resources manager is directed to establish procedures and practices to coordinate city-granted leave with state and federal requirements; to minimize conflicts; and to maximize credit of city-granted leave towards state and federal requirements.

Employment Discrimination

1) The City of Oak Harbor shall not discriminate against any employee on the basis of being a member of any class protected under state or federal law nor shall the city retaliate against any employee for asserting any rights to be protected from discrimination as prohibited by state or federal law. Allegations of sexual or racial harassment are employment discrimination claims. Employee complaints of prohibited employment discrimination shall be subject to an employment discrimination grievance process. The administrator shall develop and publish the procedures for the employment discrimination grievance process and post those procedures for ready employee access.

2) Employment discrimination complaints shall be expedited for prompt and fair resolution and shall be confidential to the extent practicable, consistent with public disclosure laws and due process.

Code of Ethics

1) Highest standards of professionalism and customer service are expected of city of Oak Harbor employees. The administrator is directed to incorporate a code of ethics in public service in the standards of conduct that reflect these values.

2) The code of ethics shall describe and prohibit nepotism, conflicts of interest, and official misconduct by city employees.

“At-Will” Employees

The code presently lists employees “not covered” by the personnel rules and later states that “Positions listed in OHMC 2.34.030(7)(c) through (j) shall be at-will employees of the city...” The personnel handbook, on the other hand, provides a different list.

“At-will” employees are listed in the new ordinance:

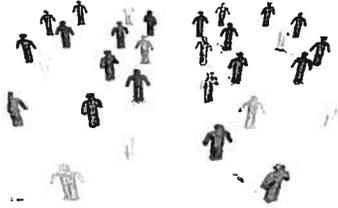
- a. City administrator;
- b. Finance director;
- c. City attorney and any assistant city attorneys;
- d. Chief of police;
- e. Fire chief;
- f. Director of Development Services
- g. Director of Public Works
- h. Executive assistant to the mayor.

The conditions of employment are set by individual employment contract, approved by city council. This allows for negotiation on an individual basis, while seeking standard contract terms for the most part.

Council Policies

Are there matters not covered here that the city council would like to make legislative policies in the personnel code?

PERSONNEL WORKSHOP



Basic Principles of Public Employment

There are a number of ways in which public employment has its own special rules and restrictions.

The purpose of this workshop is:

- To acquaint the city council with some of the ones which are important to an understanding of the city council's legislative options;
- To give the city council the background needed to make choices about the policies for city employment it wishes to adopt.

Subjects to be Covered

The presentation falls into three main parts:

- I. An overview of employment status
- II. Topics in compensation/hours of work
- III. Revisions being proposed to the present personnel ordinance

I. An overview of employment status

- A. For cause employment
- B. At-will employment
- C. Union representation
- D. Vesting

II. Topics in compensation/ hours of work

- A. Fair Labor Standards Act/ Washington Minimum Wage Act
- B. State and Federally Mandated Leave

III. Revisions being presented to the present personnel ordinance

- A. Setting legislative priorities
- B. Delegation of administration of personnel to mayor
- C. Requiring the salary/wage schedule and classification plan to be adopted with the biennial budget
- D. Policies on hiring, compensation and benefits
- E. Establishing the work period for overtime purposes
- F. Establishment of rules for at-will employees

Employment Status – Public Employees

Employment is largely a matter of contract. That means that an employment relationship is established by an offer and agreement to perform certain work at a specified rate of pay.

- Other conditions of work may also be part of the agreement.
- In public employment, this contract must be established upon authorization from the city council.
- This typically comes through adoption of legislation establishing a budget and authority to hire employees (typically including a classification plan and salary schedule with positions authorized within it).
- It may also be done by individual contract, either approved by the city council or authorized in a more general way by city ordinance/resolution.

Types of employment status

- Public employment is not inherently "for cause" employment.
- At-will employment is also possible.
- However, public employees in the state of Washington have the right to unionize.
 - Any city or town that chooses to make its workforce "at-will" is likely to experience a unionization effort which typically results in a collective bargaining agreement with a "for cause" standard of employment.

"For Cause" or "Just Cause" Employment

"For Cause" or "Just Cause" employment requires just cause for termination. This is typically determined by reference to the Seven Elements of Just Cause established in the union grievance context but used fairly widely:

"For Cause or "Just Cause" Employment (cont'd)

1. NOTICE – Reasonable notice that the conduct was prohibited or would be punished.
2. REASONABLE RULES AND ORDERS – The rule or order being enforced itself must be reasonable.
3. INVESTIGATION – Employer conducted an investigation before imposing penalty.
4. FAIR INVESTIGATION – Investigation was fairly conducted.
5. PROOF – Substantial evidence exists that the employee is guilty of the offense.
6. EQUAL TREATMENT – Employee is not being treated differently from other employees who are guilty of the same offense or conduct.
7. FAIR AND REASONABLE PENALTY FOR THE OFFENSE – The penalty must be proportionate to the offense.

Progressive Discipline

"Progressive discipline" is the term used to describe discipline which is proportionate to the offense and gives the employee in most instances an opportunity to correct. Depending upon circumstances the disciplinary scale for a minor offense or performance deficiency typically progresses as:

- counseling,
- an oral warning,
- a written warning or reprimand,
- a suspension without pay for 1-3 days,
- a suspension for 5-10 days,
- a suspension for 30 days, and
- ultimately (if not corrected) termination.

Progressive Discipline (cont'd)

Termination Events

A serious offense such as insubordination may start at a suspension without pay and willful or intentional misconduct such as stealing from the employer may properly be dealt with termination at the outset.

HYPOTHETICAL #1
How should an offense be disciplined?

Assuming a system of progressive discipline, how would you expect to discipline the following:

1. Tardiness
2. On-duty drug use
3. Sloppy work
4. DUI conviction
5. Accidental shooting of fellow employee at work
6. Lying to a supervisor

Due Process

A public employee, unless at-will, is deemed to have a property interest in continued employment. This means that the government may not deprive the employee of his or her employment without due process. This is a constitutional right. It extends not just to termination of employment but also to disciplinary suspensions, since those involve monetary loss.

Due Process (cont'd)

Loudermill Hearings

Due process ordinarily involves notice and an opportunity to be heard prior to deprivation of a property interest. In public employment, this requires a pre-termination or pre-disciplinary hearing before the supervisor imposes discipline, for the employee to present his/her side of the case. These are known as *Loudermill* hearings after the U.S. Supreme Court case that established the principle; they may be informal hearings but are required to be offered prior to imposition of discipline.

Due Process (cont'd)

Pre-deprivation Hearings

Grievance procedures allow the employee to appeal the imposition of discipline within the city organization prior to final determination of the discipline. These are important to ensure that discipline is appropriately imposed and to offer the employee an administrative remedy without going to court. Both the pre-termination hearing and the grievance process are "pre-deprivation" remedies.

Pre-deprivation remedies are in-house checks on proper decision-making, not neutral and impartial quasi-judicial reviews after the city's final decision has been made.

Hypothetical #2 How can you tell if you have a "for cause" employee?

City A has adopted a code providing a grievance process for resolving disciplinary disputes. It is available to all employees except department heads. Do employees in City A have "for cause" employment?

Due Process Post-Deprivation Remedies

A post-deprivation remedy is typically an appeal process outside of the city administration to an independent board or commission. When the city has settled on its determination of discipline or termination, the employee has a right to appeal to this other body which has the authority to affirm, modify or reject the city's determination of discipline.

In Oak Harbor, this is the personnel appeals board.

Advantages of a Post-deprivation Process

For the City: Having such an appeals board is helpful to the City because the employee must first go to the appeals board before filing a lawsuit (based on employment contract) and any judicial review is of the appeals board decision – so that judicial review is limited and requires a high standard to overturn.

For the employee - Such an appeals board is helpful to employees because it does not necessarily require that the employee hire a lawyer and, in any event, is quick and relatively inexpensive. Independence of the appeals board is critical to its effectiveness.

At-will Employment

Certain public employees are typically "at-will". These are employees vested with managerial and/or professional discretion and are expected to work largely without oversight. Department heads, attorneys, chief executive officers, are usually at-will for this reason.

An "at will" employee may be fired for no reason unless the reason is:

1. Discriminatory
2. Against Public Policy.

What is a Discriminatory Reason?

- Age (40-70)
- Gender
- Race
- Ethnicity
- Disability
- Religion
- Marital Status
- Use of a Guide Dog
- Sexual Preference

Hypothetical #3 Public Policy

A is the planning director for City B and an at-will employee. The Mayor wishes to approve a development application for a political supporter but A explains that the application cannot be approved in accordance with city code. The Mayor later fires A without explanation.

Is this termination a violation of public policy?

Name-Clearing Hearings

While an at-will employee may be fired for no reason, if a negative reason is given, then the employee is entitled to rebut the negative reason. This is done through a name-clearing hearing.

How is a name-clearing hearing conducted?

Unionization

Under Washington state law, public employees have an absolute right to choose to bargain collectively and to choose union representation to do that. Once union representation has been chosen by the employees (as overseen by the Public Employees Relations Commission or PERC), it may be an unfair labor practice to fail to include the union in decisions which affect its membership.

Most commonly, unions negotiate with the employer to establish a collective bargaining agreement addressing:

- wages,
- hours,
- working conditions and
- grievance procedures (among other things).

Unionization (cont'd)

Collective bargaining is favored under Washington law and such agreements will almost always trump other city laws and policies if the collective bargaining agreement actually covers the same subject.

The failure to negotiate in good faith is deemed an unfair labor practice (ULP) which may be brought to the PERC.

Interest or binding arbitration is available only to public safety employees in city employment. If the parties cannot reach agreement, an arbitrator may be selected and **the decision of that arbitrator is binding.**

Vested Rights

"Earned compensation vs. tenure".

The city council may set the terms of employment of existing city positions as to matters of "tenure" but not as to "earned compensation".

This distinction normally appears in matters affecting retirement benefits. **The terms of retirement vest at hiring** and can only be varied for employees hired after the terms have been changed.

Hypothetical #4 Vesting

When employee A was hired, the mandatory age for retirement was 70. The city council adopts a new ordinance making 65 the mandatory age for retirement.

Does this new ordinance apply to employee A?

Fair Labor Standards Act Washington Minimum Wage Act

Overtime

The federal FLSA and the Washington WMA are largely co-extensive and the Washington courts tend to look to FLSA interpretation for the meaning of the WMA. Both require overtime compensation for non-exempt workers who work more than 40 hours in the work week (in general – a notable exception being the work period for fire and public safety employees).

FLSA/WNWA (cont'd)

Exempt employees within the meaning of FLSA/MWA are salaried employees who meet one of three tests:

1. Administrative employees
2. Professional employees
3. Executive employees

These terms have special meaning under the two acts and care must be taken to properly classify employees for purposes of overtime because a mistake is costly – double damages and attorney's fees ordinarily.

Exempt Executive Employees

Job duties are exempt executive job duties if the employee

1. Regularly supervises two or more other employees, and also
2. Has management as the primary duty of the position, and also,
3. Has some genuine input into the job status of other employees (such as hiring, firing, promotions, or assignments).

Exempt Executive Employees (cont'd)

A "rule of thumb" is to determine if the employee is "in charge" of a department or subdivision of the enterprise (such as a shift). One handy clue might be to ask who a telephone inquiry would be directed to if the caller asked for "the boss". Typically, only one employee is "in charge" at any particular time. Thus, for example, if a "sergeant" and a "lieutenant" are each at work at the same time (in the same unit or subunit of the organization), only the lieutenant is "in charge" during that time.

Which city positions would you expect to fit into this exemption?

Exempt Professional Employees

The job duties of the traditional "learned professions" are exempt. These include lawyers, doctors, dentists, teachers, architects, clergy. Also included are registered nurses (but not LPNs), accountants (but not bookkeepers), engineers (who have engineering degrees or the equivalent and perform work of the sort usually performed by licensed professional engineers), actuaries, scientists (but not technicians), pharmacists, and other employees who perform work requiring "advanced knowledge" similar to that historically associated with the traditional learned professions.

What city positions might fit into this category?

Exempt Administrative Employees

Exempt administrative job duties are

- a. office or non-manual work, which is
- b. directly related to management or general business operations of the employer or the employer's customers, and
- c. a primary component of which involves the exercise of independent judgment and discretion about
- d. matters of significance.

Exempt Administrative Employees (cont'd)

The administrative exemption is designed for relatively high-level employees whose main job is to "keep the business running". A useful rule of thumb is to distinguish administrative employees from "operational" or "production" employees.

Again, what city positions might you expect to fall into this category?

Leave Requirements

Under state and federal law, employers are required to offer leave under certain circumstances. Such mandated leave is not required to be *paid* leave but it requires that the position be held open for the employee's return (a temporary may be hired and, in some cases, a comparable position on return will do).

The city of Oak Harbor offers paid leave to its employees. Does this mean that the employee is entitled to both types of leave?

Family and Medical Leave Act (FMLA)

Qualifying employees are generally entitled to three months of leave every year for their own illness or to care for close family members. The need for leave must be supported by the employee's health care provider.

Is the city required to grant an employee a part-time schedule to handle, for example, cancer treatments?

How does this work with the disability accommodation requirements of state and federal law?

Military Leave

Public employees in the state of Washington are entitled to 21 days per year of paid leave to serve in the armed forces. RCW 38.40.060

Military employees also have reemployment rights.

Military spouses have a right to 15 days of unpaid leave while the spouse is on leave from deployment.

PERSONNEL ORDINANCE

Existing Delegation to the Mayor

The proposed personnel ordinance revision is intended to make the code provisions consistent with one another and to set out legislative policy on a variety of topics. The code already says:

"The city council recognizes that the management of the city and the administration of the personnel affairs of the city are administrative matters and are not legislative functions. For that reason, and also because there are complex and constantly changing state and federal regulations affecting city employees, it would be unwise, inefficient and impractical to attempt to incorporate all details of personnel policies in an ordinance, resolution or motion of the city council. Thus, the city council expressly authorizes and directs the mayor to adopt such additional or clarifying personnel policies by administrative actions. Such policies shall be in accordance with this chapter and shall be to carry out the goals and policies of this chapter. Such personnel policies as adopted shall be deemed to be not the making of new law, but instead to be the execution and implementation of the personnel system and policies provided for in this chapter and other applicable ordinances. In addition, the city council may authorize the mayor to amend or delete personnel rules and regulations adopted by the city council pursuant to resolution or motion.

The mayor may incorporate personnel policies into such handbook or other informational document for employee use.

OHMC 2.34.110(2)

Need to Set Policy

This code revision seeks to set legislative policy on important personnel matters, including the budgetary allocations. Rather than setting the details by council action (which requires substantial time and effort to update) the code delegates to the mayor the responsibility to implement council policy.

Recruitment and Hiring

It is the policy of the City of Oak Harbor that employees shall be selected **on the basis of merit and fitness to perform the duties of the position for which the employee is hired.**

Compensation

1. **It is the policy of the City of Oak Harbor to pay adequate levels of compensation to city employees.** Providing adequate compensation to city employees promotes productivity, reduces turnover, and improves the city's ability to attract and retain qualified personnel to carry out the functions of city government. **Compensation levels should reflect the market for such personnel in the region.**
2. The human resources manager is directed to develop a **wage and salary schedule** for all regular positions within city government. The human resources manager shall prepare a current wage and salary schedule for presentation to the city council **for consideration and adoption at the time of the adoption of the biennial budget.** The wage and salary schedule, together with the current description of all regular positions within city employment to be known as **"the classification plan"**, shall be adopted as part of the biennial salary ordinance.

Health Insurance Benefits

1. It is the policy of the City of Oak Harbor to provide health insurance benefits to its employees at a level which is comparable to benefits provided by other local municipal governmental entities in the state of Washington. Health insurance benefits for city employees promote the health and well-being of city employees, reduce the use of sick leave, and promote employee retention.
2. The level of benefits offered to city employees shall be established by the city council through the biennial salary ordinance. Part-time employees as defined herein shall not be entitled to health care benefits unless otherwise provided in an employment contract. The human resources manager shall prepare the benefit plan for city council approval.
3. Because an active wellness program has been shown to reduce employee use of sick leave, improve productivity and reduce the need for health care services, the city council authorizes the participation of the city of Oak Harbor in the wellness program offered by the city's health care administrator.

Hours of Work

1. For purposes of the Fair Labor Standards Act and the Washington Minimum Wage Act, the City of **Oak Harbor declares the work period to be forty (40) hours**, Monday through Sunday, for all regular employees, except police and fire department employees.

The work period for police and fire employees shall be established by the mayor or his/her designee and set out in their respective collective bargaining agreements.
2. The human resources manager and the finance director are directed to establish work hour recording and compensation procedures to comply with state and federal law.

Leave

1. It is the policy of the City of Oak Harbor to comply with all state and federal leave laws. The administrator is directed to establish procedures and practices to ensure that the city complies with such laws and can demonstrate compliance.
2. **It is the city's policy to coordinate leave granted to city employees with leave requirements of state and federal law so that city-granted leave is counted towards fulfillment of any state and federal requirements.** The human resources manager is directed to establish procedures and practices to coordinate city-granted leave with state and federal requirements; to minimize conflicts; and to maximize credit of city-granted leave towards state and federal requirements.

Employment Discrimination

1. The City of Oak Harbor shall not discriminate against any employee on the basis of being a member of any class protected under state or federal law nor shall the city retaliate against any employee for asserting any rights to be protected from discrimination as prohibited by state or federal law. Allegations of sexual or racial harassment are employment discrimination claims. Employee complaints of prohibited employment discrimination shall be subject to an employment discrimination grievance process. The administrator shall develop and publish the procedures for the employment discrimination grievance process and post those procedures for ready employee access.

2. **Employment discrimination complaints shall be expedited for prompt and fair resolution and shall be confidential to the extent practicable, consistent with public disclosure laws and due process.**

"At-will" Employees

The code presently lists employees "not covered" by the personnel rules and later states that "Positions listed in OHMC 2.34.030(7)(c) through (j) shall be at-will employees of the city..." The personnel handbook, on the other hand, provides a different list.

New list proposed:

- a. City administrator;
- b. Finance director;
- c. City attorney and any assistant city attorneys;
- d. Chief of police;
- e. Fire chief;
- f. Director of Development Services;
- g. Director of Public Works;
- h. Executive assistant to the mayor.

At-Will Employees (cont'd)

Employment Contracts

The conditions of employment are set by individual employment contract, approved by city council. This allows for negotiation on an individual basis, while seeking standard contract terms for the most party.

Code of Ethics

1. Highest standards of professionalism and customer service are expected of city of Oak Harbor employees. The administrator is directed to incorporate a code of ethics in public service in the standards of conduct that reflect these values.
2. **The code of ethics shall describe and prohibit nepotism, conflicts of interest, and official misconduct by city employees.**

Council Policies

Are there matters not covered here that the city council would like to make legislative policies in the personnel code?

QUESTIONS



Employee Benefit Trust

Regence and Asuris Rates

Plan descriptions

2011 WellCity Award recipients receive a 2% premium discount on the Regence/Asuris active plans full family rate in 2012. The discount will be reflected as a "less WellCity discount" rate on each monthly premium billing.

2% WellCity discount calculator

AWC HealthFirst®

	2011 Rate	2012 Rate	% Increase from 2011
LEOFF I Active	Not available	Not available	Not available
Active Employee	568.00	630.48	11
Spouse	571.90	634.81	11
First Dependent	280.20	311.02	11
Second Dependent	231.80	257.30	11
No additional charge for three or more dependents.			

AWC HealthFirst® 250

	2011 Rate	2012 Rate	% Increase from 2011
LEOFF I Active	Not available	Not available	Not available
Active Employee	519.40	576.53	11
Spouse	523.35	580.92	11
First Dependent	256.65	284.88	11
Second Dependent	211.80	235.10	11
No additional charge for three or more dependents.			

AWC HealthFirst® 500

	2011 Rate	2012 Rate	% Increase from 2011
LEOFF I Active	Not available	Not available	Not available
Active Employee	469.55	521.20	11
Spouse	473.65	525.75	11
First Dependent	231.64	257.12	11
Second Dependent	192.10	213.23	11
No additional charge for three or more dependents.			

High Deductible Health Plan (with Health Savings Account)

	2011 Rate	2012 Rate	% Increase from 2011
LEOFF I Active	Not available	Not available	Not available
Active Employee	303.30	336.66	11
Spouse	306.65	340.38	11
First Dependent	152.60	169.39	11
Second Dependent	124.55	138.25	11
No additional charge for three or more dependents.			

Plan A - LEOFF I Plan

	2011 Rate	2012 Rate	% Increase from 2011

LEOFF I Active	832.95	924.57	11
LEOFF I Retired Not On Medicare Parts A & B	1,417.10	1,572.98	11
LEOFF I Retired On Medicare Parts A & B	903.45	1,002.83	11

Employee Benefit Trust

Group Health Cooperative Rates

Plan descriptions

Copay Plan 2 - \$10 Copay Plan

	2011 Rate	2012 Rate	% Increase from 2011
Active Employee	423.92	455.01	7.3
Spouse	416.28	447.37	7.5
First Dependent	210.93	226.67	7.5
Second Dependent	210.93	226.67	7.5
No additional charge for three or more dependents.			

Copay Plan 3 - \$20 Copay/\$200 Deductible Plan

	2011 Rate	2012 Rate	% Increase from 2011
Active Employee	372.92	400.15	7.3
Spouse	365.28	392.51	7.5
First Dependent	185.10	198.89	7.5
Second Dependent	185.10	198.89	7.5
No additional charge for three or more dependents.			

High Deductible Health Plan with Savings Account

	2011 Rate	2012 Rate	% Increase from 2011
Active Employee	309.63	332.08	7.3
Spouse	301.99	324.44	7.4
First Dependent	153.05	164.42	7.4
Second Dependent	153.05	164.42	7.4
No additional charge for three or more dependents.			

Non-Copay Plan (for LEOFF I only)

	2011 Rate	2012 Rate	% Increase from 2011
LEOFF I Active Employee	512.42	550.19	7.4%
LEOFF I Retiree not on Medicare	1,075.50	1,263.32	17.5%
LEOFF I Retiree on Medicare	255.21	373.33	46.3%
LEOFF I Retire on Medicare - residing outside Group Health service area	1,075.50	1,122.89	4.4%

Exhibit D

Benefit/Deduction Report

City of Oak Harbor

From 1/1/2011 Through 12/31/2011

Plan Summary

Code	Employee's Cost	City's Cost	Total
Dental	0.00	81,848.19	81,848.19
Dental	12,321.94	34,850.83	47,172.77
Dental	12,854.93	38,651.11	51,506.04
Dental	0.00	2,040.81	2,040.81
Subtotal	25,176.87	157,390.94	182,567.81
Employee Assistance	0.00	256.28	256.28
Life Insurance	0.00	10,621.00	10,621.00
Medical	0.00	869,133.20	869,133.20
Medical	135,321.46	387,679.28	523,000.74
Medical	17,285.25	52,465.35	69,750.60
Medical	54,013.32	162,551.54	216,564.86
Medical	0.00	45,262.94	45,262.94
Subtotal	206,620.03	1,517,092.31	1,723,712.34
Vision	0.00	27,051.87	27,051.87
Long-term Disability	0.00	54,171.11	54,171.11
Grand Total	231,796.90	1,766,583.51	1,998,380.41

Exhibit E

	Total	Percentage
Administration	\$11,798.04	4.91%
Dev Services	\$23,463.94	9.77%
Marina Rep	\$2,689.82	1.12%
Finance	\$17,739.04	7.38%
Fire Rep	\$11,283.24	4.70%
HR	\$4,615.10	1.92%
Legal	\$10,426.98	4.34%
Police Rep	\$69,734.58	29.02%
Police Unrep	\$4,816.34	2.00%
PW Rep	\$74,349.59	30.94%
PW Mngmnt	\$2,562.86	1.07%
Fire Unrep	\$6,805.52	2.83%
	\$240,285.05	

Total unrep
\$82,227.82

Total Rep
\$158,057.23

