



**SPECIAL WORKSHOP MEETING NOTICE
OAK HARBOR CITY COUNCIL**

NOTICE IS HEREBY GIVEN that the Oak Harbor City Council will hold a Workshop Meeting on:

Date: Wednesday, November 19, 2014

Time: 3:00 p.m. – 5:00 p.m.

Location: City Hall Council Chambers, 865 SE Barrington Drive, Oak Harbor, WA 98277

AGENDA

1. Departmental Briefings

2. Pending Agenda Items

- a. Discuss Carollo Engineering Consultant Agreement Amendment No. 10 for the Waste Water Treatment Plant. – 12/02
- b. Authorize the Mayor to Sign Guaranteed Maximum Price Amendment No. 1 to the Agreement with Hoffman Construction for the Membrane Bioreactor and Ultra Violet equipment. – 12/02
- c. Resolution 14-42: Update City Employee Policy Manual - Section 5.01 Health and Welfare Benefits. – 12/02
- d. Ordinance 1709: GASB 54. – 12/02
- e. 2015-2016 Budget Ordinance and 2015-2020 Capital Improvement Program (CIP). – 12/02

3. Emerging Issues

Anna M. Thompson
City Clerk
Posted on November 14, 2014

EMAILED: editor@whidbeynewsgroup.com
Mayor Scott Dudley
Oak Harbor City Council
Directors

POSTED: City Hall Bulletin Boards
www.oakharbor.org

Remove posting after November 19, 2014

The City Council may meet informally in workshop sessions (open to the public) to do concentrated strategic planning, to review forthcoming programs of the City, receive progress reports on current programs or projects, or receive other similar information from the City Administrator, provided that all discussions and conclusions thereon shall be informal. Council shall make no disposition of any item at a workshop meeting. Public comment is not normally allowed at workshop meetings, although Council may allow, or request participation.



Workshop Item

Pending Agenda Items

Item 2.c Resolution 14-42: Update City Employee Policy Manual – Section 5.01 Health and Welfare Benefits

Sara Piccone, Director of Human Resources

Attachments

Patient Protection and Affordable Care Act – Policy

Agenda Bill for Resolution 14-42

Resolution 14-42

Patient Protection and Affordable Care Act

The City of Oak Harbor provides a comprehensive benefits package to employees, subject to eligibility requirements. Benefits generally include insurance coverage for medical, dental and vision, as well as an employee assistance program (EAP), life and disability insurance and a flexible spending account under which employees can take pre-tax deductions for healthcare and dependent care expenses. The benefit programs and eligibility information will be explained upon hire, complete information about the benefit programs can be found in the Summary Plan Descriptions provided to employees. If you lose or misplace those Summary Plan Descriptions or have questions regarding benefit programs, please see Human Resources. Represented employees should also refer to their union contract for health insurance and other information.

The City reserves the right to modify, amend, or terminate its health and welfare benefits as they apply to all current, former, and retired employees. Additionally, the Administrator of each benefit plan has the discretionary authority to determine eligibility for benefits and to interpret the plan's terms.

1) Health Coverage

The City of Oak Harbor Health Coverage policy is administered in accordance with the Employer Shared Responsibility provisions of the Patient Protection and Affordable Care Act, as amended (PPACA).

Under the terms and conditions of this policy and City's health benefits plan, The City provides health coverage to eligible employees and their dependents up to age 26. The benefits, terms, and conditions of City's health benefits plan, including costs owed by eligible employees, are explained in a separate plan document (the "Plan") and/or in applicable collective bargaining agreements.

2) Benefit Definitions and Classifications

Regular Full-time. At time of hire or change in job classification, employee is reasonably expected to work, on average, 30 or more hours per week/130 hours per month. Full-time employees are eligible for health coverage and will be enrolled in health coverage as specified in the Plan.

Employees who work .8 FTE (thirty-two (32) hours a week) or more but less than 1.0 FTE (forty (40) hours per week) on a regular basis are eligible for partial payment of spouse, domestic partner and dependent health care coverage.

Regular Part-time. At time of hire or change in job classification, employee is reasonably expected to work, on average, less than 30 hours per week/130 hours per month.

Employees who work .5 FTE (twenty (20) hours per week) - .799 FTE (thirty-one hours per week) are eligible for employee health care coverage, but must pay for spouse, domestic partner and dependent health care coverage.

Coverage offered to eligible regular part-time employees working less than 30 hours per week/130 hours per month is provided by the City on a voluntary basis and is not required under the PPACA.

If, based on City prior approval, a non-regular part-time employee averages 30 or more hours per week/130 hours per month during a measurement period (discussed below), the employee will be deemed a non-regular full-time employee, eligible for health coverage during a subsequent stability period (discussed below).

Variable-hour. At time of hire or change in job classification, the City cannot reasonably determine whether employee will or will not average 30 or more hours per week/130 hours per month. Variable-hour employees are subject to monthly and annual hours limitations and are generally not eligible for health coverage, unless otherwise specified under the terms of the Plan or applicable collective bargaining agreement. If, based on the City's prior approval, a variable-hour employee averages 30 or more hours per week/130 hours per month during a measurement period (discussed below), the employee will be deemed a non-regular full-time employee, eligible for health coverage during a subsequent stability period (discussed below).

Seasonal. At time of hire or change in job classification, employee is hired or re-hired into a position for which the customary annual employment is approximately six months or less, beginning in approximately the same season of each calendar year. Seasonal employees are subject to a mandatory annual break in service of approximately six continuous months and are not eligible for health coverage, unless otherwise specified under the terms of the Plan or applicable collective bargaining agreement.

Dependents. Children of full-time employees up to age 26 (including the entire calendar month in which a child turns age 26). Includes biological and adopted children, stepchildren and foster children. Also includes spouses and domestic partners. Dependents of regular full-time employees are eligible for health coverage.

Volunteers. Individuals who provide services to the City on a voluntary basis and whose compensation is limited to: (1) reimbursement for reasonable expenses incurred in the performance of services as a volunteer; (2) reasonable fringe benefits, excluding health coverage; and/or (3) nominal fees or honorarium provided in connection with services as a volunteer. Volunteers are not employees and are not eligible for health coverage.

3) Work Hours Limitations

For certain employee classifications, the City restricts the maximum annual and/or monthly hours of work.

Regular Full-time employees are not subject to an annual or monthly hours limitation and may work 30 or more hours per week/130 hours per month, without limit, unless otherwise limited by City's overtime policy, job description, the terms of any applicable collective bargaining agreement, or the terms of any other City policy or agreement. Non-regular full-time employees are not subject to initial or standard measurement, administrative, or stability periods (discussed below).

Non-regular Part-time employees are subject to an annual hours limitation and may not exceed 1500 hours annually without the City's prior approval. In addition to an annual hours limitation, non-regular part-time employees may not exceed 125 hours in any single calendar month without the

City's prior approval. Non-regular part-time employees are subject to initial and standard measurement, administrative, and stability periods (discussed below).

Variable-hour employees are subject to an annual hours limitation and may not exceed 1500 hours annually without the City's prior approval. In addition to an annual hours limitation, variable-hour employees may not exceed 125 hours in any single calendar month without the City's prior approval. Variable-hour employees are subject to both initial and standard measurement, administrative, and stability periods (discussed below).

Seasonal employees are not subject to an annual or monthly hours limitation and may work 30 or more hours per week/130 hours per month, without limit, unless otherwise limited by City's overtime policy, job description, the terms of any applicable collective bargaining agreement, or the terms of any other Employer policy or agreement. Seasonal employees are limited to an annual employment duration of approximately six months and must have an annual break in service of approximately six continuous months before being eligible for re-hire. Seasonal employees may work longer than six months with the City's prior approval. Seasonal employees are subject to initial and standard measurement, administrative, and stability periods (discussed below).

4) Measurement and Administrative Periods – Initial Periods

The City uses a 12-month initial measurement period to measure the hours of new non-regular part-time, variable-hour, and seasonal employees.

The City uses an initial administrative period of no longer than two months, divided in two phases. The first phase begins on the date of hire of a new non-regular part-time, variable-hour, or seasonal employee and continues until the last day of that calendar month. The second phase begins at the end of the 12-month initial measurement period and lasts for one full calendar month. The purpose of the first phase of the initial administrative period is to reduce administrative complexity by consolidating all new non-regular part-time, variable-hour, and seasonal employees hired during a month into the same initial measurement and stability periods. The purpose of the second phase of the initial administrative period is to allow the City to calculate the hours worked by employees during the initial measurement period and to enroll eligible employees in health coverage.

The City uses a 12-month initial stability period for purposes of providing or excluding health coverage to new non-regular part-time, variable-hour, and seasonal employees. If an employee works an average of 30 hours or more per week/130 hours per month during an initial measurement period, the employee will be deemed a non-regular full-time employee and will be eligible for health coverage during the initial stability period, regardless of the hours worked during the initial stability period, so long as the employee remains employed by the City. If an employee works an average of less than 30 hours per week during the initial measurement period, the employee will not be deemed a non-regular full-time employee and will not be eligible for health coverage during the initial stability period, regardless of the hours worked during the initial stability period.

Initial Administrative Period (Phase 1) – Begins on date of hire, continues until end of month.

- Initial Measurement Period** – Begins on first day of first full calendar month following date of hire and continues for 12 months.
- Initial Administrative Period (Phase 2)** – Begins on first day of first full calendar month following Initial Measurement Period and lasts for the entire month.
- Initial Stability Period** – Begins on first day of first full calendar month following Phase 2 of Initial Administrative Period and continues for 12 months.

To determine the average hours worked by each employee during the 12-month initial measurement period, the City will divide the employee's total hours worked during the period by 52.

Example:

- Employee A is hired as a new variable-hour employee on April 2, 2015. Employee B is hired as a new non-regular part-time employee on April 15, 2015.
- Under the first phase of the initial administrative period, Employee A is placed into an initial administrative period from April 2, 2015 through April 30, 2015. Employee B is placed into an initial administrative period from April 15, 2015 through April 30, 2015. [*The purpose of the first phase of the initial administrative period is to reduce administrative complexity by consolidating all new part-time, variable-hour, and seasonal employees hired in the same calendar month into the same initial measurement and stability periods.*]
- Employee A and Employee B both have initial measurement periods beginning May 1, 2015 and ending April 30, 2016 (12 months).
- Employee A and Employee B are both subject to the second phase of the initial administrative period, beginning May 1, 2016 and ending May 31, 2016 (one month). During this period, the City calculates Employee A's and Employee B's hours worked during the initial measurement period.
- Employee A and Employee B are both subject to an initial stability period beginning June 1, 2016 and ending May 31, 2017 (12 months). If either employee averaged 30 or more hours per week/130 hours per month during the initial measurement period, he/she will be offered and enrolled in health coverage during the initial stability period. If either employee averaged fewer than 30 hours per week/130 hours per month during the initial measurement period, he/she will be excluded from health coverage during the initial stability period.

5) Measurement and Administrative Periods – Standard Periods

The City uses a 12-month standard measurement period to measure the hours of all ongoing non-regular part-time, variable-hour, and seasonal employees hired on or before the start of a standard measurement period.

The City uses a standard administrative period of 31 days. The purpose of the standard administrative period is to calculate the hours worked by employees during the preceding standard measurement period and to enroll eligible employees in health coverage during the resulting standard stability period.

The City uses a 12-month standard stability period for purposes of providing or excluding health coverage to ongoing non-regular part-time, variable hour, and seasonal employees. If an employee works an average of 30 hours or more per week/130 hours per month during a standard measurement period, the employee will be deemed a non-regular full-time employee and will be eligible for health coverage during the resulting standard stability period, regardless of the hours worked during the standard stability period, so long as the employee remains employed by the City. If an employee works an average of less than 30 hours per week/130 hours per month during the standard measurement period, the employee will not be deemed a non-regular full-time employee and will not be eligible for health coverage during the resulting standard stability period, regardless of the hours worked during the stability period.

- Standard Measurement Period** – December 1 of each year through November 30 of the following year
- Standard Administrative Period** – December 1 through December 31 of each year.
- Standard Stability Period** – January 1 through December 31 of each year.

To determine the average hours worked by each employee during the 12-month standard measurement period, the City will divide the employee’s total hours worked during the period by 52.

Example:

- Employee C is an ongoing variable-hour employee who was hired on or before December 1, 2017 (the start of Employer’s standard measurement period).
- Starting in 2017, Employee C’s standard measurement period begins December 1, 2017 and ends November 30, 2018 (12 months).
- Employee C’s standard administrative period begins December 1, 2018 and ends December 31, 2018. During this period, Employer calculates Employee C’s hours worked during the preceding standard measurement period. If Employee C averaged 30 or more hours per week/130 hours per month during the preceding standard measurement period, Employee C will be eligible for health coverage during the resulting standard stability period. If Employee C averaged below 30 hours per week during the preceding standard measurement period, Employee C will be excluded from health coverage during the resulting standard stability period.
- Employee C’s standard stability period begins January 1, 2019 and ends December 31, 2019 (12 months).
- Employee C’s next standard measurement period begins December 1, 2018 and ends November 30, 2019 (12 months).

6) Measurement and Administrative Periods – Overlapping Initial and Standard Periods

The City’s standard measurement periods apply to all ongoing non-regular part-time, variable-hour, and seasonal employees hired by the City on or before the start date of a standard measurement period. New non-regular part-time, variable-hour, and seasonal employees will be measured by both

the City's initial measurement period and the first standard measurement period beginning on or after each employee's date of hire.

Example:

- Employee D is a new variable-hour employee. Employee D is hired September 29, 2015.
- Employee D is subject to the first phase of the initial administrative period, beginning September 29, 2015 and ending one day later, September 30, 2015.
- Employee D is subject to an initial measurement period beginning October 1, 2015 and ending September 30, 2016.
- Employee D is subject to the second phase of the initial administrative period, beginning October 1, 2016 and ending on October 31, 2016.
- Employee D is subject to an initial stability period beginning November 1, 2016 and ending October 31, 2017.
- Because Employee D was hired on or before Employer's 2015 standard measurement period, Employee D is concurrently subject to the standard measurement period beginning December 1, 2015 and ending November 30, 2016.
- Employee D is subject to a standard administrative period beginning December 1, 2016 and ending December 31, 2016.
- Employee D is subject to a standard stability period beginning January 1, 2017 and ending December 31, 2017.

Based on the overlapping nature of initial and standard measurement and stability periods, situations will arise where non-regular part-time, variable-hour, and seasonal employees will be subject to simultaneous initial and standard measurement, administrative, and stability periods.

If the City determines an employee is eligible for health coverage during an initial measurement period or standard measurement period, the employee must be enrolled in health coverage for the entire associated stability period. This is the case even if the employee is determined to be eligible for health coverage during the initial measurement period but determined not to be eligible for coverage during the overlapping or immediately following standard measurement period. In such a case, the City may exclude the employee from health coverage only after the end of the initial stability period. Thereafter, the employee's eligibility for health coverage would be determined in the same manner as that of other ongoing non-regular part-time, variable-hour, or seasonal employees.

In contrast, if City determines an employee is not eligible for coverage during the initial measurement period, but is eligible for coverage based on the overlapping or immediately following standard measurement period, employee will be eligible for health coverage for the entire standard stability period (even if the standard stability period begins before the end of the initial stability period). Thereafter, the employee's eligibility for health coverage would be determined in the same manner as other non-regular part-time, variable-hour, or seasonal employees.

7) Rules Concerning Eligibility and Enrollment

To be enrolled in health coverage under the Plan, eligible employees must comply with all applicable application requirements and deadlines. Failure to do so may result in delayed or no enrollment until the next annual enrollment period or upon a qualified change in status.

If an eligible employee's payment for the cost of health coverage is untimely, the terms of the Plan provides when coverage terminates and whether there is a grace period for payment. The City is not required to provide health coverage for the period for which the cost of health coverage is not timely paid and may terminate coverage.

Eligible employees have the right to waive enrollment in the City's health coverage. Employer will provide a written waiver that must be timely completed, signed, and submitted by an eligible employee desiring to waive enrollment. Unless the Plan specifies otherwise, a new waiver must be completed annually. The City will provide otherwise eligible employees who previously waived enrollment in health coverage the opportunity to enroll at least once annually.

Hours for Paid and Unpaid Leave during Measurement Periods

Hours of service for employees during measurement periods include both actual hours of service worked in addition to paid hours for vacation leave, sick leave, holiday leave, or other paid leave.

Periods of unpaid leave, including unpaid FMLA or military leave, are excluded from the hours calculation during any measurement period. *Example:* Employee E is a variable-hour employee subject to a 12-month (52-week) standard measurement period. During the standard measurement period, Employee E takes four weeks of unpaid FMLA leave. The four weeks of unpaid FMLA leave are excluded from the hours calculation. The average is calculated by the total hours worked by Employee E during the standard measurement period (12 months), divided by 48 weeks (instead of 52 weeks).

Administrative periods overlap with measurement and stability periods. Employees offered health coverage during a stability period must remain enrolled in coverage during a subsequent administrative period. Employees excluded from health coverage during a stability period remain excluded from coverage during a subsequent administrative period.

8) Breaks in Service

Employees, regardless of classification, who separate their employment with the City, voluntarily or involuntarily, must have a break in service of at least 13 continuous weeks before being eligible for re-hire. Employees re-hired after a break in service of at least 13 continuous weeks will be treated as a "new" employee, without any consideration given to previous hours worked or previous measurement or stability periods that may have applied prior to separation.

Employees who are re-hired into full-time positions must be enrolled in health coverage no later than the first day of the fourth calendar month following their date of re-hire. Employees who are re-hired into non-regular part-time, variable-hour, or seasonal positions are subject to the City's initial measurement, initial administrative, and initial stability periods.

The City reserves the right to suspend this rule on a case-by-case basis.

City of Oak Harbor
City Council Agenda Bill

Bill No. a.
Date: December 2, 2014
Subject: Resolution 14-42: Update City
Employee Policy Manual Section
5.01 Health and Welfare
Benefits.

FROM: Sara Piccone

INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:

- Scott Dudley, Mayor
- Larry Cort, City Administrator
- Doug Merriman, Finance Director
- Nikki Esparza, City Attorney, as to form

PURPOSE

To update the Employee Policy Manual – Section 5.01 “Health and Welfare Benefits” to include a supplement to address the tracking of City’s Non-Regular Part-Time, Variable Hours, and Seasonal employee hours for the purpose determining and calculating Assessable Payment and employee eligibility for healthcare under the Patient Protection and Affordable Care Act (ACA).

SUMMARY STATEMENT

Effective January 1, 2015, the Affordable Care Act mandates that a large employer (at least 50 full-time employees), offer affordable health care to substantially all of its “full-time” employees or face potential penalties. The new law defines a “full-time” employee as one who averages 30 or more hours of service per week/130 hours per month.

The City currently offers health coverage for Regular Full-time and Regular Part-Time employees. The City does have non-regular part-time, variable hour, and seasonal employees who are not currently covered under health benefits.

The IRS allows employers to adopt a “Look Back Measurement Method Safe Harbor” to determine whether an employee is “full-time” for purposes of the ACA. The City will establish a twelve month “standard measurement period.” At the end of the standard measurement period, the City will look back at hours worked during that measurement period and calculate the average number of hours worked per week/month for each employee.

Any employee determined to be “full-time” under this method must then be offered affordable health care coverage during an identified “administrative period.” If the employee elects health coverage, s/he would continue coverage during the ensuing “stability period.”

Resolution and the City’s Administrative Policy provide additional details to ensure the City is fully

compliant in tracking employee hours and eligibility for health coverage.

FISCAL IMPACT DESCRIPTION

None

PREVIOUS COUNCIL ACTIONS

None

CITY COUNCIL WORKSHOP

Presented at November 19, 2014 Workshop

RECOMMENDED ACTION

Motion to Adopt Resolution No 14-42 authorizing the City to update the Employee Policy Manual - Section 5.01 "Health and Welfare Benefits" to include a supplement to address the tracking of City's Non-Regular Part-Time, Variable Hour, and Seasonal employee hours for the purposes of determining and calculating assessable payment and employee eligibility for healthcare under the Patient Protection and Affordable Care Act (ACA).

DISCUSSION

AUTHORITY

ATTACHMENTS

1. Patient Protection and Affordable Care Act - Policy
2. Agenda Bill 14-42
3. Resolution 14-42

RESOLUTION NO. 14-42

RESOLUTION OF THE COUNCIL OF THE CITY OF OAK HARBOR AMEND THE CITY PERSONELL POLICIES TO ALLOW THE CITY TO ADDRESS THE TRACKING OF THE CITY'S NON-REGULAR PART-TIME, VARIABLE HOUR, AND SEASONAL EMPLOYEE HOURS FOR THE PURPOSE OF IDENTIFYING FULL-TIME EMPLOYEES FOR THE DETERMINATION AND CALCULATION OF THE ASSESSABLE PAYMENT AND EMPLOYEE ELIGIBILITY FOR HEALTHCARE UNDER THE PATIENT PROTECTION AND AFFORDABLE CARE ACT (ACA).

WHEREAS, The Patient Protection and Affordable Care Act (ACA) was enacted on March 23, 2010; and

WHEREAS, Section 4980H imposes an assessable payment on an applicable large employer when it fails to offer "substantially all" of its full-time employees (and their dependents) the opportunity to enroll in the minimum essential coverage; and

WHEREAS, the City of Oak Harbor is considered an applicable large employer because it employed an average of at least 50 full-time employees (including full-time equivalents) on business days during the preceding calendar year; and

WHEREAS, the Department of Treasury issued regulations regarding Section 4980H that permit the City to adopt the Look Back Measurement Method Safe Harbor in order to determine the status of an employee as "full-time" for purposes of determining and calculating Assessable Payment; and

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF OAK HARBOR THAT:

Section 1. The City hereby establishes the Look Back Measurement Method Safe Harbor with regard to all employees for the purpose of identifying full-time employees for the determination and calculation of the Assessable Payment and employee eligibility for healthcare under the Patient Protection and Affordable Care Act (ACA).

Section 2. This resolution shall become effective upon its passage and approval.

PASSED by the City Council and approved by its Mayor this day of, 2014.

THE CITY OF OAK HARBOR

SCOTT DUDLEY, MAYOR

Attest:

Approved as to Form:

Anna Thompson, City Clerk

Grant K. Weed, Interim City Attorney

Introduction:

Adopted:

Published:



Report

Calls for Service – Police Department

October 2014

Ed Green, Chief of Police

Attachments

Attachment A: Total Incident Report by Nature of Incident, October 2014

11/10/14
16:36

OAK HARBOR POLICE
Law Total Incident Report, by Nature of Incident
OCTOBER 2014

Page: 245
1

Nature of Incident	Total Incidents
(Not Defined)	2
911 Hang Up	108
Alarm Commercial	26
Alarm Residence	8
Animal	80
Assault Physical	19
Assist Agency	20
Assist Public	80
Bomb Found Ordinance	1
Burglary Attempt	6
Burglary Commercial	3
Burglary Residential	12
BURN COMPLAINT	1
Civil	22
Court Detail	1
Court Order Violation	11
Custodial Interference	1
Death Invest Unattended	2
Disorderly Conduct	23
Physical Domestic	30
Verbal Domestic	21
Fire Brush	1
Fire Residential	1
Fire Service Call	1
Fire Vehicle	1
Fireworks Complaint	1
Fraud Other	21
Harassment	11
Hazardous Material	1
Information Report	4
Juvenile Complaint	10
Juvenile Neglect/Abuse	14
Juvenile Runaway	8
Littering	1
Malicious Mischief	21
Marine Incident-Non Emergency	1
Medical Emergency	22
Medical Emergency	2
Mental Non Criminal	8
Missing Person	5
Non Injury Accident	36
Unknown Injury Accident	12
Noise Complaint	20
Nuisance Other	1
Patrol Check	3
Telephone Message	1
Lost or Found Property	15
Prowler	2
Rape	2
Reminder (office use)	1
Sex Offense Other	3
Soliciting	2
Threatened Suicide	13
Suspicious Person/Circumstance	60

Theft	29
Theft Services	1
Theft Shoplift	15
Threats	12
Tobacco Violation	1
General Traffic	37
TRAFFIC CRIMINAL FAIL TO STOP	1
Traffic Disable	4
TRAFFIC CRIMINAL DWLSR	6
Traffic Hazard	7
TRAFFIC POSSIBLE DUI	11
Trespass Other	19
Unsecure Premise	3
Utility Problem	16
VEHICLE ABANDON	13
Vehicle Impound	3
Prowl Motor Vehicle	7
Vehicle Theft	6
Verbal Dispute	5
Vice Liquor HBD	14
Vice VUCSA	21
Wanted Person	13
Weapon Offense	11
Welfare Check	22

Total Incidents for This Report: 1059
