

**Levy County Board of County Commissioners
Agenda Item Summary**

1. DEPARTMENT MAKING REQUEST/NAME/EXTENSION:
Wilbur Dean, County Coordinator, Ext. 5218

2. MEETING DATE:
August 17, 2017

3. REQUESTED MOTION/ACTION:

Present staff recommendation from attached options, regarding employee group health insurance benefits.

4. IS THIS ITEM BUDGETED (IF APPLICABLE)?: Yes__ No__ *IF NO, STATE ACTION REQUIRED*

BUDGET ACTION:

DETAILED ANALYSIS ATTACHED?: Yes__ No__ BUDGET OFFICER APPROVAL NOT APPLICABLE DATE _____

FUNDING SOURCE: ACCOUNT NUMBER:

5. BACKGROUND: (WHY IS THE ACTION NECESSARY, AND WHAT ACTION WILL BE ACCOMPLISHED)

On July 18, 2017, in order to partially address impending budget deficits, the Board voted to allocate a maximum of \$9512 per employee for health insurance benefits, with each employee to bear any additional costs in premiums for the health insurance plan(s) desired by the employee, whether those additional costs were for employee-only coverage or dependent coverage. As part of that decision, the Board voted to provide a tiered salary increase to offset the increased cost to employees for their health insurance premiums. On August 8, 2017, a representative from the AFL/CIO provided public comment to the Board regarding the Board's July 18 decision. In addition, IAFF Local #4069 filed a grievance objecting to the Board's July 18 decision, citing alleged violation of various provisions of the County's Collective Bargaining Agreement with IAFF Local #4069. County staff and legal counsel have reviewed the comments from the AFL/CIO representative, the grievance filed by IAFF Local #4069, and the Board's July 18 decision regarding employee group health insurance and wages. County staff and legal counsel determined that it would be in the best interests of the Board and the County to present options for changes to the Board's July 18 decision, in order to avoid potential arbitration and litigation costs, and to more fully comply with the health insurance provisions of the collective bargaining agreements with IAFF Local #4069 and Northeast Florida Public Employee's LIUNA AFL/CIO Local #630. The applicable provisions from those agreements are attached. In addition, options for the Board's consideration are attached, with the County Coordinator's recommendation that the Board exercise Option 2.

6. RECOMMENDED APPROVAL AND DATE (YES & NO BLOCK INDICATE IF APPROVAL IS/IS NOT REQUIRED)

DEPARTMENT DIRECTOR YES__ NO__	OTHER YES__ No__	OTHER YES__ NO__	OTHER YES__ No__	COUNTY ATTORNEY YES__ NO__	COUNTY COORDINATOR YES__ NO__

7. COMMISSION ACTION:

- APPROVED
- DENIED
- DEFERRED DATE TO BRING BACK:
- OTHER SPECIFY:

OPTION 1:

Rescind July 18, 2017 meeting and make decision to do the following regarding employee group health insurance:

- A) The County will pay the full amount of the premium attributable to coverage for employee only for each employee that elects to use the County's employee group health insurance, regardless of which County-provided health insurance plans is selected by the employee, and which includes the increase in premiums for the 2017-2018 year; and
- B) The County will continue to provide a portion of the premiums for the dependent coverage for eligible dependents of employees at the same levels as provided by the County for the 2016-2017 fiscal year, with the increase in premiums for the 2017-2018 year to be borne by the applicable employee; and
- C) Wage increase for the 2017-2018 fiscal year will be subject to negotiations.

The fiscal impact of this option will add approximately \$44,000 to the health insurance costs borne by the Board in the 2016-2017 budget. This option will result in a deficit of approximately \$1,450,000 for the 2017-2018 budget.

OPTION 2:

Rescind July 18, 2017 meeting and make decision to do the following regarding employee group health insurance:

- A) The County will pay the full amount of the premium attributable to coverage for employee only for each employee that elects to use the County's employee group health insurance, regardless which of the County-provided health insurance plans is selected by the employee, and which includes the increase in premiums for the 2017-2018 year; and
- B) Each employee that elects to use the dependent coverage options for eligible dependents in the County's employee group health insurance will pay the full amount of the premium attributable to coverage for the employee's eligible dependents; and
- C) Wage increase for the 2017-2018 fiscal year will be subject to negotiations.

The fiscal impact of this option will provide an approximately \$276,000 savings to the County's currently proposed 2017-2018 budget. This option will result in a deficit of approximately \$1,100,000 for the 2017-2018 budget.

OPTION 3:

Take no vote and retain the July 18, 2017 decision.

The potential fiscal impact of this option could be up to \$100,000 or more, depending on legal costs for arbitration of the existing grievance, and the potential for an additional grievance from LIUNA Local #630, and the potential for unfair labor practice claims by either or both unions.

Option 2 - August 17, 2017 Board Meeting Fiscal Year 2017-2018

Health Insurance Monthly Premiums

HMO 59	Total Premiums	Board Pays	Employee Pays	per check
Employee	875.91	\$875.91	\$0.00	\$0.00
Employee and Spouse	1682.70	\$875.91	\$806.79	\$372.36
Employee and Children	1580.03	\$875.91	\$704.12	\$324.98
Employee and Family	1757.36	\$875.91	\$881.45	\$406.82
Total				
PPO BlueOptions 3559	Premiums	Board Pays	Employee Pays	per check
Employee	816.04	\$816.04	\$0.00	\$0.00
Employee and Spouse	1546.02	\$816.04	\$729.98	\$336.91
Employee and Children	1453.05	\$816.04	\$637.01	\$294.00
Employee and Family	1613.52	\$816.04	\$797.48	\$368.07
Total				
Buy up to HMO 55	Premiums	Board Pays	Employee Pays	per check
Employee	902.46	\$902.46	\$0.00	\$0.00
Employee and Spouse	1709.77	\$902.46	\$807.31	\$372.60
Employee and Children	1606.91	\$902.46	\$704.45	\$325.13
Employee and Family	1784.38	\$902.46	\$881.92	\$407.04
Total				
Buy up to BlueChoice 727 PPO	Premiums	Board Pays	Employee Pays	per check
Employee	849.42	\$849.42	\$0.00	\$0.00
Employee and Spouse	1655.80	\$849.42	\$806.38	\$372.18
Employee and Children	1553.19	\$849.42	\$703.77	\$324.82
Employee and Family	1730.39	\$849.42	\$880.97	\$406.60
Total				
PPO BlueOptions 05901	Premiums	Board Pays	Employee Pays	per check
Employee	667.58	\$667.58	\$0.00	\$0.00
Employee and Spouse	1264.77	\$667.58	\$597.19	\$275.63
Employee and Children	1188.69	\$667.58	\$521.11	\$240.51
Employee and Family	1319.98	\$667.58	\$652.40	\$301.11

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