

RESOLUTION R-5191

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING AN ADDITIONAL ONE-TIME HEALTH REIMBURSEMENT ARRANGEMENT (HRA) VOLUNTARY EMPLOYEE BENEFICIARY ASSOCIATION (VEBA) CONTRIBUTION TO ELIGIBLE EMPLOYEES WHO PARTNERED WITH THE CITY IN IMPLEMENTING THE HEALTHY KIRKLAND INITIATIVE.

1 WHEREAS, over the last several years, City staff has researched
2 and implemented plans to put a comprehensive health care system in
3 place to improve employee health while mitigating the rising cost of
4 health care; and
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6 WHEREAS, the City opted for a "full systems approach" labeled
7 the "Healthy Kirkland Initiative," that dramatically shifted 1) individual
8 economic incentives to better empower individuals to make more
9 informed medical decisions and improve the likelihood of health savings;
10 2) increased market transparency so employees could be more informed
11 in those decisions; and 3) provided unlimited primary care services, free
12 to employees and qualified dependents, to promote proactive healthy
13 behavior, and ensure that participants had ample opportunity to get the
14 critical on-demand primary care necessary to help ensure healthier lives;
15 and
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17 WHEREAS, the full systems approach consists of a high
18 deductible health plan, a significant Health Reimbursement
19 Arrangement (HRA) Voluntary Employee Beneficiary Association (VEBA)
20 contribution, an employee information assistance program, a significant
21 wellness incentive and a near-site primary care health facility; and
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23 WHEREAS, in order to implement the new approach, the City
24 moved forward with its leadership group, the Management and
25 Confidential (MAC) employees, and signed a memorandum of
26 understanding with each of the bargaining units listed below to
27 transfer from the existing First Choice Prime Plan to the new First
28 Choice High Deductible Health Plan and other plan elements,
29 effectively putting in place the Healthy Kirkland Initiative on April 1,
30 2015. Those bargaining units include:
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- 32 a. The City and Public, Professional & Office-Clerical Employees
33 and Drivers Local Union No. 763 (Teamsters);
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35 b. The Washington State Council of County and City Employees
36 Local #1837 of the American Federation of State, County and
37 Municipal Employees (AFSCME); and

38 c. Public Safety Employees Union #519, Kirkland Police
39 Lieutenants Union - Public Safety Employees Union (PSEU);
40 and
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42 WHEREAS, the new benefits program is showing promising
43 financial results as the City's 2016 health care contributions decreased
44 by 4.5 percent. The 4.5 percent decrease represents a negative
45 growth trend as the City budgeted a zero percent increase in
46 contributions; and
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48 WHEREAS, City employees have been actively engaged in
49 healthy behavior and primary care utilization has actually increased
50 during this past year. In the 3rd Quarter of 2015, City employees have
51 the highest participation rates on record with the VERA Whole Health
52 near-site clinic, and approximately 70 percent of eligible employees
53 and their spouses have earned their Wellness Incentive; and
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55 WHEREAS, on August 13, 2015, the City and the Kirkland
56 Police Guild – Commissioned Staff (Guild) signed a collective
57 bargaining agreement effective January 1, 2014 to December 31,
58 2016; and
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60 WHEREAS, as part of this agreement, the Guild transitioned
61 into the Healthy Kirkland Initiative plan effective January 1, 2016; and
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63 WHEREAS, the total amount of HRA VEBA contribution is the
64 same for the Guild and PSEU as it is for the other participating
65 bargaining units, but there is no requirement that the Guild and PSEU
66 members earn that portion of the HRA VEBA contribution allotted to
67 the wellness incentive because the units had already bargained for
68 HRA VEBA contributions in previous collective bargaining; and
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70 WHEREAS, even though the Guild was not part of the first year
71 implementation of the Healthy Kirkland Initiative that helped deliver
72 the successful first year results outlined above, in order to promote the
73 continued success of the free primary care services clinic and the City's
74 overall wellness program, the City proposes to also include this one-
75 time benefit for the Guild contingent upon successful completion of the
76 wellness incentive program.
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78 NOW, THEREFORE, be it resolved by the City Council of the City
79 of Kirkland as follows:
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81 Section 1. Due to the success of the City's Healthy Kirkland
82 Initiative collaboration, the City Council authorizes the City Manager to
83 make a one-time payment from the health benefit fund in the amount
84 of \$500.00 to be deposited into the HRA VEBA Trust Accounts of all
85 eligible employees in the bargaining units and employee groups listed
86 below:

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- a. Teamsters
- b. AFSCME
- c. PSEU
- d. Guild
- e. MAC

Section 2. This authorization is subject to the City Manager's discretion in negotiating the terms and conditions of the one-time payment with each of the recipient units. The City Manager is also authorized to implement such administrative procedures, as may be necessary to carry out the directions of this Resolution.

Passed by majority vote of the Kirkland City Council in open meeting this 15th day of March, 2016.

Signed in authentication thereof this 15th day of March, 2016.


Mayor

Attest:


City Clerk