



City of Joliet

Finance Committee

Meeting Agenda

Committee Members
Councilman Pat Mudron, Chairperson
Councilman Larry E. Hug
Councilwoman Sherri Reardon

Thursday, November 14, 2024

3:30 PM

***Special Meeting* City Hall, Council
Chambers**

Citizens who are unable to attend the meeting can email comments in advance of the meeting to publiccomment@joliet.gov.

ROLL CALL:

CITIZENS TO BE HEARD ON AGENDA ITEMS:

AGENDA ITEMS:

Ordinance Amending and Restating Ordinance 17928 which [TMP-7897](#)
Established Salary Ranges and Fringe Benefits for Non-Union
Employees (Amendment to Group Health Insurance)

Attachments: [2025 Insurance Renewal Ordinance](#)

NEW OR OLD BUSINESS, NOT FOR FINAL ACTION OR RECOMMENDATION:

PUBLIC COMMENTS:

ADJOURNMENT:

This meeting will be held in an accessible location. If you need a reasonable accommodation, please contact The City Clerk Office, 150 West Jefferson Street, Joliet, Illinois 60432 at (815) 724-3780.



Memo

File #: TMP-7897

Agenda Date: 11/14/2024

TO: Finance Committee

FROM: Kevin Sing, Director of Finance

SUBJECT:

Ordinance Amending and Restating Ordinance 17928 which Established Salary Ranges and Fringe Benefits for Non-Union Employees (Amendment to Group Health Insurance)

BACKGROUND:

The City provides group insurance benefits to its employees. Historically, these benefits were set by ordinance for non-union employees, and by collective bargaining agreements for union employees. This action is to modify the group insurance benefit plans for non-union employees and non-union retirees.

In an effort to respond to employee's requests for preventative care coverage, staff is proposing updates to group insurance benefit plans for 2025. The new benefit options would include preventative care coverage and comply with the 2010 Affordable Care Act. The most significant change is the creation of a second tier of benefits for non-union employees hired after January 1, 2025, and reducing the City's cost of employee insurance long term. A complete summary of the changes are as follows:

Coverage Options

Tier 1 - Non-union employees hired before January 1, 2025

Note: Union coverages must be negotiated

(a) Offer current \$250 deductible plan with percentage based contribution model.

- a. No changes to health, dental and vision benefits
- b. Eliminate current \$200 preventative care reimbursement

(b) Add new \$500 deductible Affordable Care Act compliant plan:

- a. Preventative care covered at 100% (current preventative care reimbursement will be eliminated)
- b. Under the new plan, all costs count toward out-of-pocket maximum including copays and prescription drugs
- c. Virtual doctor visits covered at 100%

- d. Increase vision reimbursement from \$150 to \$200
- e. Add coverage for dental implants at 50%
- f. Minimal copays for doctor visits, urgent care visits, and ER visits
- g. Minimal increase to prescription copays
- h. Small increase to deductible and out of pocket maximums
- i. Coinsurance after deductible at 90% instead of 100%

Employee Premium Contributions

Change model to percent of calculated premium. Set employee contribution at 5.75% of calculated premium for 2025. See chart on following page.

Tier 2 - Non-union employees hired after January 1, 2025

Note: Union coverages must be negotiated

(a) Add new \$750 deductible Affordable Care Act compliant plan:

- a. Same plan design as new \$500 deductible plan in Tier 1
- b. Under the new plan, all costs count toward out-of-pocket max including copays and prescription drugs
- c. Preventative care covered at 100%
- d. Virtual doctor visits covered at 100%
- e. Vision reimbursement from \$150 to \$200
- f. Dental implants covered at 50%
- g. Increased deductible and out of pocket maximums

(b) Not eligible for paid insurance at retirement

Employee Premium Contributions

Premiums would be the same as employees in the Tier 1 \$500 deductible plan

Employee Per Paycheck Insurance Contribution				
	2024	2025	2025 Tier 1	2025 Tier 2
	\$250 Deductible	\$250 Deductible	\$500 Deductible	\$750 Deductible
Employee	\$50.00	\$59.81	\$26.64	\$26.64
Employee+ 1	\$50.00	\$115.82	\$51.59	\$51.59
Family	\$50.00	\$152.31	\$67.85	\$67.85

Employee Opt Out and Spouse Reimbursement

- a. Eliminate reimbursement of working spouse’s insurance cost at their non-City of Joliet employer
- b. Eliminate stipend for employees not selecting insurance

Retiree Insurance

- a. Create second tier for non-union retirees employed after January 1, 2025. Tier 2 employees will need to fund their healthcare at retirement and will be offered the \$750 deductible plan. The employee can elect to defer their sick time buyout to be used for premiums.
- b. Current retirees from non-union positions will be moved to \$500 deductible plan.
- c. Current retirees from union positions will have the option to choose their plan. If no option is chosen, the retiree will remain in the \$250 deductible plan.

Estimated Financial Impact

- a. \$233,000 yearly savings for non-union active employees
- b. If proposed changes were able to be made to all active employees Citywide, the savings is estimated to be \$1,500,000 per year (8.8% of total active employee cost)
- c. Current unfunded liability attributed to active employees is an average of \$410,000 per employee. This cost is the equivalent of \$20,500 per year for the 20 years it takes to be eligible for 100% funding today. Had this been implemented over 20 years ago, the City’s annual insurance cost for 2024 would be closer to \$16,000,000 instead of \$32,000,000.

Tier 1 - Non Union Employees hired prior to January 1, 2025

PLAN STATUS	\$250 Deductible Grandfathered		ACA \$500 Deductible	
CARRIER(S)	Blue Cross Blue Shield of IL		Blue Cross Blue Shield of IL	
PLAN(S)	PPO 100% / 70%; \$250 D Grandfathered Plan		PPO 90% / 70% Plan; \$500 Deductible	
NETWORK(S)	Blue Cross PPO		Blue Cross PPO	
PLAN BENEFITS	In-Network	Out-Network	In-Network	Out-Network
Coinurance Level	100%	70%	90%	70%
Individual Deductible	\$250	\$500	\$500	\$1,000
Family Deductible	\$500	\$1,000	\$1,000	\$2,000
Medical Individual Out-of-Pocket	Deductible Not Included	Deductible Not Included	Includes Deductible	Includes Deductible
Medical Family Out-of-Pocket	\$1,000	\$3,000	\$1,500	\$3,000
	\$3,000	\$9,000	\$4,500	\$10,500
MEDICAL SERVICE(S)				
Office Visits (PCP/SPC)	80% (after deduct)	70% (after deduct)	\$20 / \$40 copay then 100%	70% (after deduct)
Preventive Care	80% (after deduct); (to age 18)	70% (after deduct); (to age 18)	100% no deductible	70% (after deduct)
Wellness/Preventative Reimbursement	\$0	\$0	Included in plan	
Diagnostic Test (X-Ray, B blood Work)	100%	70% (after deduct)	90% after deduct	70% (after deduct)
Imaging (CT/PET scans, MRIs)	100%	70% (after deduct)	90% after deduct	70% (after deduct)
Outpatient Surgery	100%	70% (after deduct)	90% after deduct	70% (after deduct)
Urgent Care	100%	70% (after deduct)	\$40 copay	70% (after deduct)
Emergency Care (w/valid ID admitted)		80% (after deduct)	\$200 copay (w/valid ID admitted)	
Inpatient Hospital (per occurrence)	100%	70% (after deduct)	90% after deduct	70% (after deduct)
PRESCRIPTION DRUGS				
Tier 1- Generic	\$8	75% after copay	\$10	70% after copay
Tier 2 Non- Generic Preferred	\$15	75% after copay	\$30	70% after copay
Tier 3 Name Brand	\$35	75% after copay	\$60	70% after copay
Tier 4 - Specialty	Covered	Not Covered	\$100	Not Covered
Mail Order Prescription (90 Days)	\$14 / \$28 / \$68	N/A	2.5x Retail Copay	N/A
PLAN STATUS	DENTAL		DENTAL	
PLAN(S)	Passive PPO 100/80/50/50; \$25 D		Passive PPO 100/80/50/50; \$25 D	
NETWORK(S)	Blue Cross		Blue Cross	
PLAN BENEFITS	In-Network	Out-Network	In-Network	Out-Network
Deductible (Individual / Family)	\$25 / \$75	\$25 / \$75	\$25 / \$75	\$25 / \$75
Annual Maximums	\$1,000	\$1,000	\$1,000	\$1,000
CLASS I - Preventive	100%	100%	100%	100%
CLASS II - Basic	80%	80%	80%	80%
CLASS III - Major	50%	50%	50%	50%
CLASS IV - Ortho (To age 21)	50%	50%	50%	50%
Lifetime Maximums	\$1,000	\$1,000	\$1,000	\$1,000
COVERED SERVICE(S)				
Endodontics	80%	80%	80%	80%
Periodontics	80%	80%	80%	80%
Simple Extractions	50%	50%	50%	50%
Implants	Not Covered	Not Covered	80%	80%
True Open Enrollment Y/N	Yes	Yes	Yes	Yes
Late Enrollment	None	None	None	None
Waiting Period	None	None	None	None
USC Percentile	Negotiated For	90th	Negotiated For	90th
Plan	VISION		VISION	
Carrier	Blue Cross Blue Shield of IL		Blue Cross Blue Shield of IL	
Coverage	\$150 Annual Allowance		\$200 Annual Allowance	
Employee Share of Premiums	Per paycheck		Per paycheck	
Single	\$63.31		\$26.64	
Employee + 1	\$122.60		\$51.59	
Family	\$181.22		\$67.65	

Tier 2 - Non-union Employees hired after January 1, 2025

PLAN STATUS	New Employees after January 1, 2025 ACA \$750 Deductible	
CARRIER(S)	Blue Cross Blue Shield of IL	
PLAN(S)	PPO 90% / 70% Plan; \$750 Deductible	
NETWORK(S)	Blue Cross PPO	
PLAN BENEFITS	In-Network	Out-Network
Coinsurance Level	90%	70%
Individual Deductible	\$750	\$1,500
Family Deductible	\$1,500	\$3,000
	Includes Deductible	
Medical Individual Out-of-Pocket	\$2,250	\$5,250
Medical Family Out-of-Pocket	\$6,750	\$15,725
MEDICAL SERVICES		
Office Visits P-CPT/SPC	\$20 / \$40 copay then 100%	70% (after ded.)
Preventive Care	100% no deductible	70% (after ded.)
Wellness/Preventative Reimbursement	included in plan	
Diagnostic Test (X-Ray, Blood Work)	90% after ded.	70% (after ded.)
Imaging (CT/PET scans, MRIs)	90% after ded.	70% (after ded.)
Outpatient Surgery	90% after ded.	70% (after ded.)
Urgent Care	\$40 copay	70% (after ded.)
Emergency Care (waived if admitted)	\$250 copay (waived if admitted)	
Inpatient Hospital (per occurrence)	90% after ded.	70% (after ded.)
PRESCRIPTION DRUGS		
Tier 1 - Generic	\$10	70% after copay
Tier 2 Non - Generic Preferred	\$30	70% after copay
Tier 3 Name Brand	\$80	70% after copay
Tier 4 - Speciality	\$100	Not Covered
Mail Order Prescriptions (90 Days)	2.5x Retail Copay	N/A
PLAN STATUS	DENTAL	
PLAN(S)	Passive PPO 100/60/50/50; \$25 D	
NETWORK(S)	BlueCare	
PLAN BENEFITS	In-Network	Out-Network
Deductible (Individual / Family)	\$25 / \$75	\$25 / \$75
Annual Maximums	\$1,000	\$1,000
CLASS I - Preventive	100%	100%
CLASS II - Basic	80%	80%
CLASS III - Major	50%	50%
CLASS IV - Ortho (To age 21)	50%	
Lifetime Maximums	\$1,000	
COVERED SERVICES		
Endodontics	80%	80%
Periodontics	80%	80%
Simple Extractions	50%	50%
Implants	50%	50%
True Open Enrollment Y/N	Yes	
Late Entrant	None	
Waiting Period	None	
U&C Percentile	Negotiated Fee	90th
Plan	VISION	
Carrier	Blue Cross Blue Shield of IL	
Coverage	\$200 Annual Allowance	
Employee Share of Premiums	Per paycheck	
Single	\$26.64	
Employee + 1	\$51.59	
Family	\$97.85	

RECOMMENDATION:

Based on the above, it is recommended that the Mayor and City Council adopt this Ordinance.

ORDINANCE NO.

ORDINANCE AMENDING AND RESTATING ORDINANCE 17928 WHICH ESTABLISHED SALARY RANGES AND FRINGE BENEFITS FOR NON-UNION EMPLOYEES (Amendment to Group Health Insurance)

WHEREAS, the Mayor and City Council of the City of Joliet, Illinois (City) has the authority to adopt ordinances and to promulgate rules and regulations that pertain to its government and affairs and protect the public health, safety, and welfare of its citizens; and

WHEREAS, the City is a duly organized and existing municipal corporation created under the provisions of the laws of the State of Illinois; and

WHEREAS, the Mayor and City Council previously established fringe benefits for exempt employees and enacted Ordinance No. 16569 on or about December 15, 2009 which has subsequently been amended, most recently by Ordinance 17928; and

WHEREAS, the Mayor and City Council recognize that Section 9 and Section 16 of Ordinance 17928 must be amended; and

WHEREAS, the proposed Ordinance replaces Section 9 and Section 16 and incorporates the changes that will become effective on 01/01/2025; and

WHEREAS, the proposed Ordinance replaces Section 9 and incorporates the changes that will become effective on 01/01/2025; and

WHEREAS, there are no other changes to Ordinance 17928; and

WHEREAS, for clarity purposes, the amendments to Ordinance 17928, Section 9 and 16 are incorporated into the attached; and

WHEREAS, the City of Joliet is a home rule unit of local government.

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF JOLIET, ILLINOIS, PURSUANT TO ITS STATUTORY AND HOME RULE AUTHORITY, AS FOLLOWS:

SECTION 1: The Mayor and City Council hereby find that the recitals contained in the preamble to this Ordinance are true, correct and complete and are hereby incorporated into this Ordinance by reference.

SECTION 2: That ORDINANCE 17928 shall be amended as follows:

Section 9: Sick Leave

- (a) **Accrual** Each Group I, II, III and IV employee shall accrue twelve (12) hours of paid sick leave for each month of paid employment. Each employee shall be permitted to accrue up to a maximum of 2,426 hours of paid sick leave.
- (b) **Compensation for Unused Sick Leave**

- (1) Employees hired on or before December 31, 2024. Each Group I, II, III and IV employee who has been employed by the City as a full time employee for at least eight years and who terminates employment with or has his or her employment terminated by the City shall receive compensation for a percentage of accrued sick leave up to a maximum of 1,012 hours as follows:

Employee Group	Compensation Percentage
Group I	50%
Group II	45%
Group III and Group IV	40%

Compensation for unused sick leave shall not be payable to an employee terminated for cause by the City if any other applicable law or ordinance requires the forfeiture of this benefit.

- (2) Employees hired on or after January 1, 2025. Each Group I, II, III and IV employee who has been employed by the City as a full time employee for at eight years and who terminates employment with or has his or her employment terminated by the City has the option of:

- i. Receiving compensation for a percentage of accrued sick leave up to a maximum of 1,012 hours as follows:

Employee Group	Compensation Percentage
Group I	50%
Group II	45%
Group III and Group IV	40%

- ii. An employee with over 600 hours of accrued sick leave may defer payment of their accrued sick leave to be used for payment of City-provided retiree insurance premiums at retirement up to a maximum of 1,012 hours as follows:

Employee Group	Compensation Percentage
Group I	50%
Group II	45%
Group III and Group IV	40%

By selecting this option, the employee is deferring payment under option (i) above. This deferral is permanent and once selected cannot be undone.

Compensation for unused sick leave shall not be payable to an employee terminated for cause by the City if any other applicable law or ordinance requires the forfeiture of this benefit.

- (a) Group Health Insurance The City shall provide group health insurance benefits for each non-union full-time employee covered by this Agreement, and their qualifying dependents, in accordance with the Plan Documents, costs, and schedule of benefits adopted by City Council annually.
- (b) Group Term Life Insurance Each Group I, II, III and IV employee shall receive term life insurance coverage while employed by the City in the amount of \$50,000.
- (c) Group Long Term Disability Insurance Each full-time employee shall receive long-term disability insurance coverage in accordance with a plan approved by the City Council.
- (d) Working Spouses and Dependents of Full-Time Exempt Employees

(1) Primary Coverage Limited In the event the spouse or a dependent of an active employee enrolled in the City's group health insurance plan is employed on a non part-time basis (defined 36 hours or more per week on average), and the spouse or dependent is eligible for health insurance provided by his or her employer, then the spouse or dependent shall not be insured by the City on primary basis. Coverage by the City on a secondary basis shall be available, provided the spouse or dependent has enrolled with his or her employer for primary coverage, the spouse or dependent is properly enrolled in the City's Plan and all applicable premiums and copayments are paid as required.

(2) Duty of Employee to Notify City of Status of Spouse or Dependent The City shall provide an annual open enrollment process in which the employee shall be required to provide sufficient information to the City to establish the proper status of a spouse or dependent in order to determine eligibility for benefits and appropriate premiums and copayments under this Section. In addition, employees shall notify the City of a spouse or dependent becoming eligible for employer-provided health insurance within thirty (30) days of such eligibility. The City shall also permit mid-year changes in enrollment status of spouses and dependents due to changes in employment status.

An employee's failure to timely notify the City of a change in the status of a spouse or dependent, or to provide complete and accurate information required by the City pursuant to this Section may constitute just cause for discipline and for the denial or limitation of benefits and for the reimbursement of benefits improperly paid.

(3) Coordination of Benefits-Dependent Children of Parents not Separated or Divorced or of Divorced Parents Having Joint Custody In the event that a dependent child is covered by more than one health insurance plan, then the plan covering the parent whose birthday falls earlier in the year shall provide primary coverage for the dependent child. If both parents have the same birthday, then the plan that has provided coverage longer shall provide primary coverage.

(4) Coordination of Benefits-Dependent Children of Divorced or Separated Parents In the event that a dependent child is covered by more than one health insurance plan, then the plan covering the parent with custody of the child shall provide primary coverage and the plan of the spouse of the parent having custody shall provide secondary coverage. The plan of the parent not having custody of the child shall provide the next level of coverage.

The foregoing notwithstanding, if an order or decree issued by a court of competent jurisdiction provides a different method of coordination of benefits, then such method shall govern and control upon proper notification to the affected plans.

(e) Employee Election to Opt Out of Group Health Insurance Plan Section to be Eliminated

(f) Health Benefit Plan for Separating Employees (Retirees)

- (1) Each Group I, II, III and IV employee hired on or before December 31, 2024 who, at the time of that employee's termination of employment, has a minimum of eight years of service as a full time City employee and is at least 55 years of age shall be eligible to continue to receive health insurance benefits and group term life insurance in accordance with plan documents, costs, and schedule of benefits adopted by City Council annually. Eligible separating employees shall be entitled to receive Hospital Benefits, Physician Benefits and Prescription Drug Program Benefits, but not Dental Benefits or Vision Benefits, in accordance with the Plan Documents and schedule of benefits adopted annually by the City Council.

The eligible retiree shall be responsible for the additional cost of covering eligible qualifying dependents. The retiree shall pay the applicable monthly premiums for that portion of the benefits payable by the retiree.

- (2) Each Group I, II, III and IV employee hired on or after January 1, 2025 who, at the time of that employee's termination of employment, has a minimum of eight years of service as a full time City employee, is at least 55 years of age, and has a minimum of 600 hours of accumulated sick leave shall be eligible to receive health insurance benefits in accordance with Plan Documents and schedule of benefits adopted by City Council annually. Eligible separating employees shall be entitled to receive Hospital Benefits, Physician Benefits and Prescription Drug Program Benefits, but not Dental Benefits or Vision Benefits, in accordance with the Plan Documents and schedule of benefits adopted annually by the City Council.

The eligible retiree shall be responsible for 100% of the cost of these benefits. The retiree shall pay the applicable monthly premiums for the portion of the benefits selected. Failure to remit payments timely will result in the termination of this benefit.

SECTION 3: No Vested Right in Benefits This Ordinance shall not establish any vested right in any salary or fringe benefit for any employee. Nothing in this Ordinance shall be construed to create a contractual right to a position, salary or an increase in salary or benefit conferred by this Ordinance. The Mayor and City Council reserve the right to modify or terminate any benefit conferred by this Ordinance without notice and without cause.

SECTION 4: Administrative Policies, Rules, and Regulations The City Manager is authorized to promulgate policies, rules, and regulations consistent with the terms of this Ordinance for the implementation and administration of the provisions of this Ordinance. Any such policy, rule or regulation in effect on the effective date of this Ordinance shall continue in full force and effect provided it is not inconsistent with any provision of this Ordinance.

SECTION 5: Severability This Ordinance shall be considered severable. The invalidity of any section, clause, paragraph, sentence or provision of the Ordinance shall not affect the validity of any other portion of the Ordinance.

SECTION 6: Conflicting Ordinances All Ordinances or parts of Ordinances conflicting with any of the provisions of this Ordinance are hereby repealed to the extent of such conflict.

SECTION 7: Effective Date This Ordinance shall be in full force and effect from and after its passage, approval and publication as provided by law.

PASSED this _____ day of _____, 2024.

MAYOR

CITY CLERK

VOTING NO: _____

VOTING YES: _____

NOT VOTING: _____