

2007
HEALTHCARE AND COMPENSATION TRUE-UP

With our initial labor negotiations plan, the City defined healthcare costs as the most important issue to be addressed. The initial plan (see attached) required leading with non-represented employees with a promise to do a true-up each year adjusting the non-represented personnel benefits with the results of the union negotiations during the year.

The following are recommendations for this years true-up:

1. Change the lead in benefit changes to the union or represented groups with the non-represented to follow
2. Sustain the 3 tiered prescription program in exchange for a \$100 increase in the City donation to the flex benefit 125 plan. This increases the City paid contribution from \$200 to \$300.
3. Retain the elimination of two family or combined single/family policies by offering those affected a \$50./ month payment, which is similar to the payment currently received by those employees who have voluntarily opted out of the City's health insurance program (not to duplicate the Utilities program).
4. Establish \$10. office visit co-pay for non-represented employees in 2008 (similar to the union contracts)