RESOLUTION 2015-125    PASSED: NOVEMBER 23, 2015

AUTHORIZING THE MAYOR OF THE CITY OF DEKALB, ILLINOIS, TO EXECUTE A SIDE LETTER TO THE COLLECTIVE BARGAINING AGREEMENT BETWEEN THE CITY OF DEKALB AND THE INTERNATIONAL ASSOCIATION OF FIREFIGHTERS (IAFF) LOCAL 1236 REGARDING INSURANCE PLAN OPTIONS EFFECTIVE JANUARY 1, 2016.

BE IT RESOLVED BY THE CITY COUNCIL of the City of DeKalb, Illinois, as follows:

Section One. That the Mayor of the City of DeKalb, Illinois is authorized and directed to execute a side letter regarding insurance plan options to the collective bargaining agreement between the City of DeKalb and the International Association of Firefighters (IAFF) Local 1236, copy of which is attached hereto and made a part hereof as Exhibit "A".

Section Two. That the City Clerk of the City of DeKalb is authorized and directed to attest to the Mayor's signature.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois at a regular meeting thereof held on the 23rd day of November 2015 and approved by me as Mayor on the same day. Passed by a 7-0 roll call vote. Aye: Jacobson, Finucane, Marquardt, Snow, Noreiko, Baker, Rey.

ATTEST:

JENNIFER JEEP JOHNSON, City Clerk

JOHN A. REY, Mayor
APPENDIX M

SUPPLEMENTAL AGREEMENT

HEALTH INSURANCE BENEFITS

1. The undersigned parties agree that in their joint interest of providing competitive and cost-effective health insurance benefits for all bargaining unit members, effective January 1, 2016, the following changes will be made to the package of insurance benefits offered to members of IAFF Local 1236.

2. Beginning on January 1, 2016, the parties agree that bargaining unit employees and fire department retirees shall be offered the option to enroll in one of four health insurance plan choices: 1) a PPO plan; 2) an HMO plan; 3) a High Deductible Health Plan (“HDHP”) which will include a City contribution to a Health Savings Account (“HSA”); and 4) a Catastrophic Plan (single coverage only).

A. PPO Plan

Appendix D-1 (EPI Plan) of the Collective Bargaining Agreement, as referenced in Section 5.3 of that Agreement, shall be replaced with Attachment 1 to this Supplemental Agreement. This plan shall no longer be called the “EPI Plan,” but shall instead be called the “PPO Plan.” The former EPI Plan will be discontinued.

B. HMO Plan

The City shall offer an HMO plan, which will be the same plan that is offered to the City’s non-represented employees. The City can change the HMO plan from time-to-time, as long as such changes apply equally to IAFF employees as they are applied to the non-represented employees. All changes will be communicated during Open Enrollment for the upcoming insurance plan year and will be effective no sooner than January 1 of the first plan year after which the changes are communicated.

C. High Deductible Health Plan

Pursuant to the parties’ negotiations as required by Section 5.3(H) of the Collective Bargaining Agreement, the City shall offer a High Deductible Health Plan, which will include an annual contribution to a Health Savings Account for any current employee who chooses to enroll in the High Deductible Health Plan. Retirees shall not be eligible for any contributions to a Health Savings Account. The terms of the High Deductible Health Plan shall be as described in Attachment 2 to this Supplemental Agreement.
D. Catastrophic Plan

The Catastrophic Plan (single coverage only) shall remain as a health insurance plan option pursuant to the terms of the current collective bargaining agreement.

3. Cost

Beginning January 1, 2016, the parties agree to replace Section 5.3(B), Employee Contributions, of the current collective bargaining agreement with the following language:

Beginning January 1, 2016, employees who elect to participate in the PPO, HMO, or HDHP plans shall pay twenty percent (20%) of the cost of the applicable health insurance premium. Any employee that elects the individual catastrophic plan shall have the premium for hospital and medical insurance paid for by the City.

Notwithstanding anything to the contrary in this Article, if the City is required to pay an excise tax or penalty under the Affordable Care Act ("ACA") or any similar state or federal legislation or regulation for the PPO plan, then the employee’s biweekly insurance contributions will be increased at the rate of $0.50 for each $1.00 of the tax/penalty that is imposed upon the City.

In the event that the City is required to pay an excise tax or penalty under the ACA or any similar state or federal legislation or regulation for its high deductible HSA plan or for its HMO plan, employees choosing to enroll in such a plan option will not be subject to any offset.

For purposes of this Agreement, the Dependent Coverage Age Limit shall be the numerically lowest age until which unmarried dependents of an employee are eligible, under applicable state or federal law, to receive insurance coverage. Under current applicable law, the City and Employees acknowledge that the Dependent Coverage Age Limit is twenty six years of age, and that unmarried dependents are eligible for coverage (on the City’s plan) until the unmarried dependents reach the age of twenty-six.

Employee payments for contributions toward the cost of medical, hospital, and dental insurance premiums shall be accomplished by twenty-six (26) even payroll deductions from the employee’s biweekly paycheck.
4. Additional Insurance Benefits

a) The changes to the dental plan for Plan Year 2016 that will be applied to the City’s non-represented employees will also be applied to employees covered by the Collective Bargaining Agreement.

b) Employees will have the option of enrolling in a vision insurance program on the same terms and conditions as other City employees. The cost of those benefits will be paid 100% by the employee, but enrollment is completely optional.

c) Employees will have the option of enrolling in a supplemental life insurance program on the same terms and conditions as other City employees. The cost of those benefits will be paid 100% by the employee, but enrollment is completely optional.

5. Integration with Collective Bargaining Agreement (CBA)

a) The new benefit plans as described in this Supplemental Agreement shall be substituted for and supersede the plans described in the CBA where there is a conflict with an existing plan described in the CBA.

b) If the City offers a brand new insurance plan option to the other City employees (for example, a new “100% PPO option”) that is in addition to the options in paragraph 2 of the agreement, then that new plan will also be offered to the IAFF employees on an equal basis.

c) The City can change the HMO plan pursuant to the limitations in paragraph 2(B), as long as those changes are applied to the non-union employees.

d) The City cannot change the PPO, Dental, or HDHP plans unless the coverage (level of benefits) remains equal to or greater than the PPO and HDHP plans as attached to this Appendix “M”.

For the City of DeKalb:

John Rey, Mayor
Date: 12/23/15

Jennifer Jeep Johnson, City Clerk

For the Union:

T. Luke Howieson, President
Date: 11/15/15

Noah Millard, Secretary
APPENDIX M, ATTACHMENT 1

PPO PLAN

IN-NETWORK (90%)/OUT-OF-NETWORK (70%)

Deductible:

- Single $500
- Single +1 $1,000
- Family $1,500

Out-of-Pocket:

- Single $1,500 (includes deductible)
- Single +1 $3,000 (includes deductible)
- Family $4,500 (includes deductible)

Emergency Room copay - $150 copay
Chiropractic Services unlimited

PHARMACY

- 30 or 90 day supply – local or mail order
  Generic $5
  Formulary $35
  Non-formulary brand $50

If the total number of “in-network” providers decrease by 1/3rd or greater, then the Union may re-open negotiations for network benefits under the City’s Insurance Plan. Negotiations will be conducted in accordance with the IPLRA as interpreted under law.
IN-NETWORK (100%)/OUT-OF-NETWORK (80%)

Deductible:
- Single $2,500
- Family $5,000

Out-of-Pocket:
- Single $2,750 (includes deductible)
- Family $6,850 (includes deductible)

Emergency Room copay – Deductible applies, then 100%

PHARMACY
- Deductible applies, then 100%

HSA CONTRIBUTIONS
- The City will make the following HSA contributions annually on behalf of current employees who enroll in the HDHP plan
  - $1,250 for employees with single coverage
  - $2,500 for employees with family coverage
- In 2016 only, any current employee who enrolls in the HDHP Plan will receive a one-time cash payment as follows:
  - $500 for single coverage
  - $1,000 for family coverage
  - Employees can voluntarily elect to put this money into their HSA account. Subject to IRS rules, such voluntary contributions may be entitled to special tax treatment.
  - Any employee who receives the bonus payment must remain in the HDHP plan for 36 months. If the employee opts out of the HDHP having participated in the plan less than 36 months, he will be required to repay the bonus via payroll deduction.