



TO: Elizabeth Pauli, City Manager
FROM: Karen Short, Human Resources Senior Analyst
Gary Buchanan, Interim Director, Human Resources
Kari Louie, Benefits Manager, Human Resources
COPY: City Council and City Clerk
SUBJECT: Resolution - Authorize a divided vote referendum for Medicare coverage for eligible commissioned Police Department employees covered by the LEOFF retirement system— June 13, 2017
DATE: May 31, 2017

SUMMARY:

A resolution authorizing the appropriate representatives of the City of Tacoma to conduct a one-time divided vote referendum for Medicare coverage to eligible commissioned Tacoma Police Department employees covered under the LEOFF retirement system.

STRATEGIC POLICY PRIORITY:

The requested resolution aligns with the City Council’s Strategic Policy Priority to encourage and promote an open, effective and results-oriented organization by providing for a one-time divided vote referendum for eligible Tacoma Police Department employees.

BACKGROUND:

This resolution will allow the appropriate representatives of the City of Tacoma to conduct a one-time divided vote referendum to provide eligible employees the option of paying the Medicare-only tax. The referendum will include employees in the Tacoma Police Department with hire dates after October 1, 1977 and before April 1, 1986, who are members of the LEOFF retirement system, and represented by the Tacoma Police Management Association, Local 26, the Tacoma Police Union, Local 6, or by the Professional Public Safety Managers Association. Employees hired prior to October 1, 1977 have medical coverage provided through the LEOFF I retirement system, and LEOFF II employees hired after April 1, 1986 have been required to participate in Medicare.

There are approximately 12 commissioned employees within the Tacoma Police Department, with hire dates between October 1, 1977 and April 1, 1986, and members of the LEOFF retirement system, and who are currently not paying into Medicare.

The collective bargaining agreement negotiated with the Tacoma Police Management Association, Local 26, adopted by Resolution 39603 on December 6, 2016, provides that in accordance with RCW 41.48.030, the City shall go through the process to offer eligible LEOFF employees a one-time Medicare, opt-in opportunity.

The divided vote referendum will be conducted pursuant to applicable State and Federal laws and regulations for the purpose of allowing eligible employees the option of paying the Medicare-only tax. The coverage of employees electing to participate shall be effective as soon as practicable after the completion of the referendum. Employer contributions shall be paid from amounts appropriated for such purposes to the IRS in accordance with applicable Federal laws.

ISSUE:

Authorization is required to begin the process to provide the divided referendum for eligible employees.

RECOMMENDATION:

It is recommended that the City Council take the necessary action to approve the legislation.



FISCAL IMPACT: There are currently twelve (12) employees eligible to participate in the one-time, divided-vote referendum. The cost analysis below is for the entire employee population for the remainder of the 2017/18 biennium if all employees elected to participate in Medicare. The total estimate is very conservative, given the following considerations:

- Some of the employees may not be interested in applying for Medicare coverage, since they already qualify through credits earned through previous employment, or through a spouse.
- Employees may be eligible to retire as early as age 53, and it is unlikely all employees would wait to retire until age 65. One of the eligible employees is already age 65.

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
0010 – General Fund, Police	Various	5110800	\$26,600.00
TOTAL			\$26,600.00

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
TOTAL			

POTENTIAL POSITION IMPACT:

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
TOTAL			

This section should only be completed if a subsequent request will be made to increase or decrease the current position count.

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$26,600.00

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED?

Yes

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.

Not Applicable