

**CITY OF WASILLA
RESOLUTION SERIAL NO. 08-23**

A RESOLUTION OF THE WASILLA CITY COUNCIL APPROVING THE DISTRIBUTION OF A DISCRETIONARY BONUS TO ELIGIBLE EMPLOYEES.

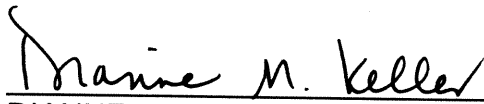
WHEREAS, the City Council agreed during the FY 08 budget preparation process to continue to make a flex plan available to employees to reduce the City's projected increase in the cost of group health insurance; and

WHEREAS, the saving in health insurance cost budgeted for FY 08 are estimated to have been \$164,189.38 as a result of making the flex plan available to employees; and

WHEREAS, the City desires to share part of the cost saving that resulted from offering the flex plan to employees participating in the City's group health insurance program as a discretionary bonus.

NOW THEREFORE BE IT RESOLVED, that the Wasilla City Council authorizes the City to distribute a discretionary bonus totaling 50% of the FY 08 health insurance cost savings among the employees who participated in the City's group health insurance plan pro rated to the number of months in FY 08 the employee participated in the City's group health insurance plan including benefits associated with the discretionary bonus.

ADOPTED by the Wasilla City Council on July 14, 2008.



DIANNE M. KELLER, Mayor

ATTEST:



KRISTIE SMITHERS, MMC
City Clerk

[SEAL]



**CITY OF WASILLA
LEGISLATION STAFF REPORT**

RE: RESOLUTION SERIAL NO. 08-23: APPROVING THE DISTRIBUTION OF A DISCRETIONARY BONUS TO ELIGIBLE EMPLOYEES.

Agenda of: July 14, 2008
Originator: Marvin Yoder, Deputy Administrator

Date: July 2, 2008

Route to:	Department	Signature/Date
	Police, Youth Court, Dispatch, Code Compliance	
	Cultural and Recreation Services, Library, Museum, Sports Complex	
	Public Works, Recreation Facility Maintenance	
X	Finance, MIS, Purchasing	<i>Phyllis Spain 7-1-08</i>
X	Deputy Administrator, Planning, Economic Development, Human Resources	<i>Marvin Yoder</i>
X	City Clerk	<i>Kornick</i>

REVIEWED BY MAYOR DIANNE M. KELLER: *Dianne M. Keller 7/2/08*

FISCAL IMPACT: yes \$ or no Funds Available yes no

Account name/number:

Attachments: various

SUMMARY STATEMENT:

In 2006 the City made a major change to the health insurance plan. To save money the City opted for a higher deductible. The city used the savings to pay for a major portion of the increased deductible on the employees behalf. To accomplish this, the city established a flex plan and an HRA.

The City maintained a record of how much money was saved and how much of the deductible was spent. As an incentive, the city agreed to share the net savings with the employees on a fifty/fifty basis. The employees share this year is \$75,871.91.

The City has changed health care providers and the plan has changed. There are direct savings for the employees, therefore it is not anticipated that this practice will continue in future years.