City of Biddeford

Personnel Committee

February 18, 2020 3:00 PM 205 Main Street

1. **Call to Order**
2. **Acceptance of Minutes**
   - 2.1. Vote to Accept Minutes from 1-21-2020
     Minutes 1-21-20.doc
3. **Discussion**
   - 3.1. Allow Domestic Partners for MMEHT Enrollees
     2-18-20 Domestic Partners.pdf
   - 3.2. Engage2Empower Program
     2-18-20 E2E.docx
4. **Other Business**
5. **Unfinished Business/Future Agenda Items**
6. **Adjourn**

PERSONNEL COMMITTEE MEETING

Tuesday January 21, 2020
Human Resources Department

3 PM

Minutes

ITEM 1 **Call to order**

Chair Councilor Michael Ready called the meeting to order at 3 PM with Councilors William Emhiser, Norman Belanger, and Robert Quattrone Jr. present. Also present was James Bennett, City Manager, and Diana DePaolo, Human Resources Director

ITEM 2 **Acceptance of Minutes**

Minutes from September 10 2019 meeting accepted

ITEM 3

Item 3.1 Discussion of 2020 Work Plan
Discussion of items on the 2020 work plan. Dates chosen for review of items.

Item 3.2 Set standing meeting day/time
Council agrees to meet the 3^{rd} Tuesday of every month at 3pm.

ITEM 4 **Other Business**

No other business.

ITEM 5 **Adjourn**

Personnel Committee Members:

Councilor Michael Ready, Chair
Councilor Norman Belanger
Councilor Robert Quattrone Jr.
Councilor William Emhiser

Personnel Committee

Meeting Date: February 18, 2020
Meeting Time: 3:00pm

Agenda Item No: 1
Item Description: Domestic Partnership

Submitted by: Hillary Owens, Management Analyst

Supporting Information/Documentation:

Pages 72/73 from the non-union employee handbook

"Required Language for Adoption"

Group Dynamic Domestic Partner Coverage in HRA explanation

Key Terms:

N/A

Executive Summary:

The City of Biddeford is not currently offering benefit coverages to domestic partners of its non-union and fire contracted employees.

- The city is currently offering benefits to eligible domestic partners of the police and public works departments
- Domestic partnership insurance is available with Maine Municipal Employees Health Trust
- Munis, our HRIS system is able to handle the change
- Group Dynamic Inc. (GDI), HRA utilization comes with possible tax and system implications

Detailed Review:

It was discovered that the City of Biddeford, while offering domestic partnership coverage for its employees covered under the benefit carrier Allegiant, is not offering the same availability to our employees covered under Maine Municipal Employees Health Trust.

As discussed at the preceding Personnel Committee meeting, this should be rectified. We followed the subsequent steps: Contact was made with MMEHT to verify that they allow this coverage and what it would entail and the HRIS system was checked to verify tax compliance abilities, and we reached out to the current HRA provider, GDI to examine any possible conflicts with their plan.

MMEHT sent field representative, Debbie Bridges, to answer our questions in person. Debbie explained the domestic partnership coverage process, stating that we would need to have the adoption voted on and to send the minutes, attested, to the Health Trust. She also advised that the coverage would require employees pay income tax and Social Security payroll tax on the portion of the insurance premium that the city contributes to the partner's policy.

Munis, the city's current HRIS system, is not only capable of handling the change, tax wise, it was already been configured to do so at implementation.

GDI advised that there are tax and system implications that could affect the city, our employees, and their system, should we utilize their services to cover charges for domestic partners or any non-qualified dependents.

Currently, we use a direct carrier provided claims feed to have payments processed through GDI. This means our employees do not have to pay the owed funds out of pocket first, then be reimbursed.

Using the direct feed process, GDI's system does not have the ability to separate spouse coverage from domestic partner coverage, nor qualified depended from nonqualified dependent, for tax purposes. To make HRA benefits available to domestic partners, the employee would need to be taxed on the value of the HRA coverage, this amount would be imputed into income for the employee. A way to add this to the employee's income would need to be developed and added to Munis.

GDI further advised that the city would have the option to not offer their services in the case of domestic partnerships.

Funding Source:

NA

Staff Recommendation:

It is recommended that we adopt domestic partner coverage for our employees covered under Maine Municipal Employees Health Trust.

It is recommended that we do not offer HRA coverage to domestic partners and non-qualified dependents.

Travel From Work Site to Work Site: Time spent traveling from one work site to another must be counted as hours worked. If an employee is required to drive a vehicle to transport tools, equipment, or other employees from the employer's place of business to the job site, that is considered work time. It makes no difference whether the vehicle is the employee's, the City's, or rented by the City.

WORK RELATED TRAVEL PAY

Employees will be paid by an approved appropriation in a departmental budget. The appropriation will be in the best interest of the City and will be approved by the Department Head.

Expenses: Travel will be accomplished at the least cost to the City. When authorized, private vehicle use shall be reimbursed at the rate established by the Internal Revenue service. The reimbursement rate will pay for all vehicle expenses including gasoline, operation and maintenance, depreciation, and automobile insurance coverage. The City's insurance program does not provide primary liability coverage for the use of personal vehicles for City business. Except in exceptional circumstances approved by the Department Head, an employee shall use the most economical mode of transportation available. The total reimbursement for the use of a private vehicle shall not exceed economy class airfare plus car rental, if required, to the same location. Mileage will be computed according to the point-to-point distance, plus local business-related travel. Additional pleasure travel shall not be reimbursed. When traveling by automobile on City business, a private vehicle shall be used when an employee is accompanied by a non-city person.

Registration Fees, Overnight Accommodations and Meals: The full cost of approved seminars, workshops, or conference registration shall be paid. Payment for lodging expense shall be the single-occupancy rate, unless shared with another City employee. When a spouse or other family member accompanies an employee requiring double occupancy, the employee shall pay any difference. Receipts are required for all travel expenditures and must be submitted upon the employees return and within five (5) work days.

Employees may elect, at their discretion, to receive the IRS per diem rate in lieu of reimbursement. Such request must be made prior to the event to the City Manager's office.

MILEAGE ALLOWANCE

Eligible mileage reimbursement will be granted at the prevailing IRS rate.

HEALTH BENEFITS

The City of Biddeford will offer group health insurance to its regular full time employees. If it is desirous to change insurance carriers, the City will provide equal or better coverage.

A. Beginning September 6, 2001, regular full time employees will pay 15 percent of the cost of health insurance coverage. Beginning January 1, 2017, the employee contribution amount will increase to twenty (20%). Payment will be made through payroll deduction and will be based on the number of payroll deductions made during the calendar year. ~~Beginning January 1, 2017, the City will continue to offer employees three (3) health coverage options, the HMO, POS and HMO LO, however, if the employee elects the higher priced plan coverage (POS) the employee shall be responsible for 100% of the premium difference between the HMO and POS plan.~~

B. The City shall provide eligible employees with an insurance buyout program. If an employee can demonstrate that he has appropriate health insurance coverage elsewhere, the employee will be allowed to cash in coverage from the City for a family plan for $1,500.00 per year, payable quarterly.

~~B.~~C. Effective April 1, 2020 the City of Biddeford amends its personnel benefits policy to allow any employee who is eligible to enroll in the employer benefits the option of enrolling a domestic partner. Any employee who wishes to add a domestic partner will be advised of the requirements set forth in the Domestic Partner affidavit to add said partner.

RETIREMENT HEALTH BENEFITS:

~~C.~~D. For employees who retire after September 6, 2001, the City shall pay for the medical insurance only, at the same percentage of current employees, to employees who retire between the ages of 62 and 65, until said employee reaches the age of 65, providing said employee has a minimum of ten years of service with the City. Medical insurance coverage for the employee's dependents shall be at the expense of said employee. When the retiree reaches the age of 65, all insurance for said employee and dependents will terminate.

~~D.~~E. For employees who retire before July 1, 1995, the City shall continue to pay the cost of medical insurance for a retired employee between the ages of 62 and 65. Beyond the age of 65, the retired employee may enroll in the City's Medicare companion plan at his own expense.

~~E.~~F. As an exception to the above, if a retiring employee has a dependent (husband/wife only) who is younger and currently enrolled on the City's health plan, then the City will continue to pay the cost of the Medicare companion plan for the retiree until the dependent reaches age 65. The retiree will be responsible for the cost of dependent coverage. When both the retiree and the dependent have reached age 65, they may both continue in the City's Medicare companion plan at their own expense. At the time when the retired employee becomes responsible for the cost of medical coverage, payment will be made to the City on a monthly basis at the current rate.

~~F.~~G. If an employee has to retire prior to age 62 because of medical reasons and is eligible for social security disability income, he may continue on the group medical coverage at his own expense. If the retired employee carried dependent coverage, that will also be continued at the retired employee's own expense.

~~G.~~H. For employees who retire prior to July 1, 1995, and, if the retiree has continuous employment with the City for a period in excess of ten years, the City shall pay the insurance expense for the employee for a period not to exceed 24 months or whenever Medicare becomes applicable. Subsections (E) and (F) of this section shall also apply.

~~H.~~I. Employees hired after January 1, 1997 are not eligible for Sections C through G above. Said employees shall contribute $15 per week to retirement health savings (RHS) which will be matched by the City. The employer matched contribution amount shall have a ten year (10) vesting period, to coincide with the employees original date of hire, as follows:

0 to 2 years:	Zero percent (0%)
Over 2 years	Ten percent (10%)
Over 3 years	Fifteen percent (15%)
Over 4 years	Twenty percent (20%)
Over 5 years	Thirty five percent (35%)
Over 6 years	Fifty percent (50%)
Over 7 years	Sixty five percent (65%)
Over 8 years	Eighty percent (80%)
Over 9 years	Ninety percent (90%)
Over 10years	One hundred percent (100%)

Domestic Partnership Coverage Adoption Statement

Effective April 1, 2020, the City of Biddeford amends its personnel benefits policy to allow any employee who is eligible to enroll in the employer benefits (under MMEHT) the option of enrolling a domestic partner.

Any employee who wishes to add a domestic partner will be advised of the requirements set forth in the Domestic Partner Affidavit to add said partner. Furthermore, said employee has been advised there could be tax implication of adding a domestic partner.

The Domestic Partner of an Employee shall be:

- A life partner of either the same sex or opposite sex of the employee;
- Not legally married or separated, to either the employee or anyone else;
- At least 18 years of age and mentally competent to consent to contract;
- Are each other's Domestic Partner and intend to remain so indefinitely;
- Have been each other's Domestic Partner for at least 12 months prior to the date of the signed Affidavit;
- Are not related by blood to a degree of closeness that would prohibit marriage in the State of Maine;
- Are jointly responsible of each other's common welfare; share financial obligations, and share their primary residence

Group Dynamic Inc.
THIRD PARTY ADMINISTRATION

Domestic Partner Coverage in HRAs

Your employer sponsored group health plan may allow employees to enroll a domestic partner and their dependents when certain requirements are met. This notice is to inform you of regulations regarding premium contributions and HRA coverage.

What are the regulations about HRA coverage for domestic partners and other non-qualified dependents?

HRA coverage for eligible out-of-pocket expenses is considered tax-exempt for employees and their federally qualified dependents. Domestic Partners and their children who do not qualify as the employee's tax dependents are not eligible for tax-free reimbursements from an HRA, **unless the employee is taxed on the value of the HRA coverage**. The value of the HRA coverage is considered by the IRS to be the 2-person COBRA premium for the HRA plan in which they enroll.

Why do employers need to be concerned about this?

Employers need to communicate clearly whether domestic partners and their dependents are eligible for coverage in the group health plan and, if so, are they eligible for coverage in the HRA.

There is a special concern when there is a **carrier-provided claim feed for HRA claims.** If your employees cover non-qualified dependents and GDI is receiving claims through a carrier-provided claim feed, the claims for all employees and covered dependents will be processed through the HRA, UNLESS you have provided us with information that non-qualified dependents shouldn't be covered. If non-qualified dependents are to be covered, there is a tax-liability that you need to address with the employee.

How do employers tax the employee on the value of the HRA coverage?

Example:

John enrolls himself and his domestic partner Sarah in the group health plan. They each file their own tax return, so Sarah is not a federally-qualified dependent of John. John's employer offers an HRA that provides $1,000 of benefit for an individual to cover deductible expenses and up to $2,000 for a 2-person or family enrollee. John and Sarah are enrolled in the $2,000 benefit level of the HRA.

The COBRA premium for the HRA is calculated using a percentage of expected use of the benefit. GDI uses an industry-standard of 30% expected use. The 2-person COBRA rate is therefore calculated as follows:

$2000 benefit X 30% = $600 divided by 12 months = $50 + 2% COBRA Admin + $5.00 Admin charge to employer = $56.00 monthly COBRA premium.

In order for the employee to be taxed on the value of coverage, the amount needs to be imputed into income. For this purpose, we would use only $50 and not add the additional administrative cost. John's employer will add $50 to his taxable income on a monthly basis so that he is taxed on the value of the HRA coverage. Now, Sarah may have reimbursements from the HRA plan.

Personnel Committee

Meeting Date: February 18th, 2020
Meeting Time: 3pm

Agenda Item No: 2
Item Description: E2E Discussion

Submitted by: Diana DePaolo, Director of Human Resources

Supporting Information/Documentation:

2019 Memo from James Bennett introducing the idea (attached)

Key Terms:

n/a

Executive Summary:

E2E met its goal of engaging and fostering leadership among middle management of the City of Biddeford. It would be beneficial to administer the program again.

Detailed Review:

A leadership program, E2E (Engage2Empower) was developed in 2019. We wanted to instill a sense of leadership and engagement in employees who are not at the director level.

- There were six sessions, which were from 9am to 3pm with an hour booked for a lunch, which was provided
- The sessions were about 5-6 weeks apart
- Topics included: DISC assessment, City Government, Leadership, Finance, Personnel, Community Building, etc.
- The program culminated with presentations of group projects with the City Manager, Councilor Ready and the Mayor present in the audience
- 11 employees graduated from the program

By all accounts the first E2E Program was a success. The City Manager and I gathered with the participants to debrief and there was an overwhelming sense from the participants that they were very happy they were given the opportunity to participate. Forming relationships with other employees from different departments came up again and again as a part of the program that was really exciting and beneficial. Some information the group provided that we should take into account when planning the next program:

- Program felt too stretched out; they would like to see sessions closer together to keep momentum going

- Less lecturing, more interaction/activities/team building
- Provide information regarding sessions further in advance
- The first day should provide more opportunity for getting to know each other, team building
- Would like to learn more about how items/issues flow through each department of the City
- Overwhelmingly the group would love to come back and participate in the next program
- More time out in the community when possible and guest speakers

Funding Source:

n/a

Staff Recommendation:

I recommend we proceed with a second E2E program and implement the first groups' recommendations wherever possible, such as facilitating more hands on activities and having less time between sessions. I also recommend we engage the first group in the planning and execution of the second round as much as possible.

The Office of
City Manager
James A. Bennett

Email: jbennett@biddefordmaine.org

MEMORANDUM

TO:	Personnel Committee
FROM:	James A. Bennett, City Manager
DATE:	February 13, 2020
RE:	Outline of *'Leadership Academy'*

To assist in achieving two internal goals (succession planning and creating high performance team) it has been a priority of administrative leadership to create a *'leadership academy'*. The vision is to launch the academy within the next 30 to 60 days. Contained within this communication is the general overview of the proposal.

General Overview

The program would include approximately eight sessions over an eight to ten month period. The sessions would cover a range of topics. The sessions would focus on two major areas; personal leadership development for the employee as well as the technical information to serve in a leadership role within the community. The tentative outline of the 2019 sessions is within this communication. The sessions would occur for most of the day and once a month.

The program would conclude with a requirement for each participant to apply their new knowledge by making a presentation to the management team. The presentations would focus on suggestions/recommendations the participant has to improve the goal of serving our community members. Additionally, there would be a celebration on that day.

The sessions would be led by internal qualified personnel, as well as outside professionals for topic areas in which staff does not have any expertise. For the first year, staff would use existing resources to achieve the results.

The City Manager would invite eight to twelve members of city staff to participate in the program. Prior to the invitations, the management team would be consulted for recommendations.

First Year Sessions

Session 1: Getting to Know Your Classmates; Getting to Know You

Participants will conclude the first session with a deeper understanding about themselves; from understanding where they get their energy, how they organize the information they receive, what criteria they use to make decisions and their preference for structuring their work. They will also learn more about their classmates. Developing trust with each other and among the group will be an important outcome so that the journey would not only include personal growth but growth as a class as well.

Session 2: Getting to Know the City; Getting to Know City Government

Dubbed ‘Biddeford 101’, participants will conclude this session with a deeper understand of the history of the community and what makes Biddeford a special place. They will also have the foundation of how city government works.

Session 3: Getting to Know the Money

This session is all about money; how the city gets its funds, how are the funds protected and where are the funds used. Participants will conclude the day understanding the budget and how it is developed. It will include how the property tax rate is set and the role of the Assessor.

Session 4: Getting to Know You as the Leader

Being part of municipal government leadership requires a different mindset and different set of skills. No single person or group of people have a majority of the authority to make decisions unilaterally. To be successful, the technical skills are not enough. Participants will discover their ‘why’ and how to help their teammates find their why. They will learn about inherit biases, appreciation of differences and how to foster an environment that will create high performing team.

Session 5: Personnel 101

Participants will learn the finer points of the art of supervisory responsibilities. How to conduct an effective performance evaluation, how to create an effective corrective action plan and leading in a union environment.

Session 6: Community Building 101

Great communities have one thing in common, the citizens on the community are proud to be part of the community. They have a love relationship with community. Participants will be discover how this relationship is developed, how it is fostered and how the teams they lead are important.

Session 7: Teach and Celebrate

In our wrap session, participants will be asked to present their ideas and suggestions on the improvements they believe will make Biddeford better. A core requirement to participate, every member will be expected to apply what they have learned and their personal expertise for the benefit of the community. In addition, a formal celebration of their journey will be part of the last session.

Conclusion

This is a high level review of the proposal. We look forward to any suggestions that the Committee might have in order to improve upon the plan.