



## Memorandum

**DATE:** January 30, 2007  
**TO:** Mayor Prussing and the Urbana City Council  
**FROM:** Chief Administrative Officer  
**RE:** Benefit Program Changes

On January 22, 2007, the Committee of the Whole unanimously moved to send Ordinance 2007-01-018, An Ordinance Amending the City of Urbana Benefits Program, to the next Council meeting. Staff recommends a technical correction to this ordinance to clarify how these benefits will be prorated for eligible part-time and 24 hour shift employees. The intent of the ordinance is unchanged.

The original staff recommendation and revised ordinance are attached to this memo.



## Memorandum

**DATE:** January 18, 2007  
**TO:** Mayor Prussing and the Urbana City Council  
**FROM:** Chief Administrative Officer  
**RE:** Benefit Program Changes

Since 1976 the City has maintained a benefit program for benefit eligible employees who are not subject to previously approved collective bargaining agreements. The purpose of the Benefit Program approved under this ordinance is to provide benefits that will attract and retain employees and to ensure that the City does not provide lesser benefits for those employees who are not subject to a collective bargaining agreement.

On January 8, 2007, the City Council approved the new AFSCME Agreement. This Agreement included the following three changes to AFSCME benefits (details attached):

1. The payment for unused sick leave upon separation was increased.
2. An employee who uses no sick leave in a year can earn up to 16 extra hours of paid time off.
3. An eligible employee can trade, **at a 50% rate**, up to four days of sick leave per year for two days of vacation.

Many non-bargaining unit employees work with AFSCME employees on a daily basis. In order to provide equitable benefits to non-bargaining unit employees, the Department Heads and I recommend that the above benefits be approved for non-bargaining unit employees.

In part, AFSCME sought these changes to improve their equity with respect to the FOP. An FOP employee with 20 years of service receives 50% of their sick leave balance at separation and an eligible FOP employee can cash out, at a 50% rate, up to 96 hours of sick leave per year. These types of benefits provide incentives and rewards for employees who minimize unplanned absences. Unplanned absences disrupt services and negatively impact other employees.

I recommend approval of the attached revisions in the Non-Bargaining Unit Benefit Program in order to enhance services and maintain equity for non-bargaining unit employees. This ordinance also makes it clear that certain benefits are subject to IRS regulations.

**AFSCME's New Benefits**  
**(Recommended for Non-bargaining Unit Employees)**

**Payment for Unused Sick Leave**

An eligible employee who separates in good standing is eligible to receive partial payment for his or her sick leave balance based on years of continuous service.

| Service             | Payment based on Service  |
|---------------------|---------------------------|
| 10 years of service | 10% of sick leave balance |
| 15 years of service | 15% of sick leave balance |
| 20 years of service | 25% of sick leave balance |
| 25 years of service | 30% of sick leave balance |
| 30 years of service | 40% of sick leave balance |
| 35 years of service | 50% of sick leave balance |

**Extra Scheduled Time Off**

Eligible employees shall earn bonus vacation time at the rate of two (2) hours per quarter year for each quarter that the employee does not use any sick time. The quarters shall be December through February; March through May; June through August, and September through November. The bonus vacation shall be awarded at the beginning of each December to each employee who has maintained a minimum balance of 69 hours of unused sick leave throughout the year that ended November 30. An employee who receives a bonus for all four quarters will receive an extra bonus of eight (8) hours of vacation for a total award of (16) sixteen hours of vacation.

**Trading Sick Leave for Vacation**

Each employee with a minimum sick leave balance of 400 hours as of November 30 may convert, at a 50% rate, up to thirty-two (32) hours of sick leave to up to sixteen (16) hours of vacation. The employee shall submit a written request for conversion to the Department Head no later than December 15. All employees who are absent as a result of this leave will be eligible for emergency call-back.

This Ordinance:  
AMENDS THE CITY OF URBANA BENEFITS PROGRAM.

ORDINANCE NO. 2007-01-018

{ An Ordinance Amending the City of Urbana Benefits Program }  
{ January 2007 Changes }

**WHEREAS**, The City of Urbana wishes to provide benefits that attract, reward, and retain highly qualified individuals who will best serve the public;

**WHEREAS**, the City of Urbana, to the greatest extent possible, seeks to provide a competitive benefit package that is no less than the benefit packages provided for employees who are subject to bargaining-unit agreements;

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS**, as follows:

Section 1. That the text of the City of Urbana, Illinois Benefits Program for benefit eligible employees that are not subject to approved collective bargaining agreements, last amended March 21, 2005 is hereby deleted and replaced in its entirety with the text of the attached City of Urbana, Illinois Benefits Program for benefit eligible employees that are not subject to approved collective bargaining agreements.

Section 2. All ordinances, resolutions, motions, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed.

Section 3. This ordinance shall become effective immediately upon its passage and approval.

PASSED by the City Council this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

AYES:

NAYS:

PRESENT:

\_\_\_\_\_  
Phyllis D. Clark, City Clerk

APPROVED by the Mayor this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Laurel Prussing, Mayor

# City of Urbana Benefit Program Non-Bargaining Unit Employees

## DISCLAIMER

City benefits and the statements made in this document are subject to revision at any time without notification of employees by the City. This document and the policies and guidelines referenced herein are not a contract for employment or part of a contract. Nothing in these policies and guidelines provides any contractual obligations or any obligations relating to continued employment, compensation, or employment in a particular position. To ensure the most current and accurate information regarding materials in this document, please contact the City's Personnel Manager. Employees subject to a bargaining agreement should refer to their contract for specific information on their benefits.

## SUMMARY AND SCOPE

This document describes some of the standard benefits provided to employees who are not subject to approved collective bargaining agreements and occupy benefit eligible City positions on a regular, non-temporary basis. Other benefits, policies, and procedures are described in pension plan documents, the City's Policy and Procedure Manual, insurance and vendor documents, and other City communications. These documents are available through the City's internal web site and/or the Personnel Division's web page and office. The CAO and/or the Personnel Manager shall establish the policies, rules, and procedures governing the benefit packages for employees not subject to approved collective bargaining agreements, including modifications to the policies and procedures, and descriptions herein. The City adheres to applicable laws that affect these benefits.

## PHILOSOPHY

These benefits are designed, in conjunction with pay, to attract, reward, and retain highly qualified individuals who will best serve the public. Therefore, it is the goal of the City of Urbana, to the greatest extent possible, to provide a competitive benefit package that is no less than the benefit packages provided for employees who are subject to bargaining-unit agreements.

## POSITION DEFINITIONS

- ❑ **Regular Benefit Eligible Position:** A non-temporary position that averages 20 or more hours per week annually and has been duly authorized and budgeted as benefit eligible. At the time of appointment, the benefit package is identified as fulltime, 75%, or 50% based on the anticipated work hours.
- ❑ **Non-Bargaining Unit Position:** An exempt or non-exempt position that is not subject to a bargaining unit agreement (NBU).
- ❑ **EXEMPT / MANAGEMENT:** A position classified as exempt from overtime requirements under the Fair Labor Standards Act (FLSA). Supervisory, professional, and administrative positions meeting certain criteria are typically classified as exempt.
- ❑ **HOURLY / NON-EXEMPT:** All other positions that are **not** classified as exempt under the FLSA.
- ❑ **PART-TIME:** Pro-rated benefits are provided for part-time regular benefit eligible positions that are expected to average 20 or more hours of work per week over a year. Positions that are authorized for 20-29 regular hours per week are authorized at the 50% benefit level and those authorized for 30 or more hours per week are authorized at the 75% benefit level.
- ❑ **DEPARTMENT HEAD:** A Department Head (Director) or the CAO.

These benefits apply exclusively to the positions specified and only to employees who occupy benefit eligible non-bargaining unit City positions on a non-temporary basis.

## TIME OFF AND LEAVE

Leave is accrued, advanced, approved, and used in accordance with applicable laws, policies and procedures. Details concerning policies and procedures are available in the City's Policy and Procedures Manual, department policies, and through supervisors and the Personnel Office.

### VACATION

| <b>Fulltime Exempt Vacation</b>  |         |
|--|---------|
| <b>Upon hire and on each eligible anniversary, vacation is advanced for the upcoming year.</b> |         |
| <b>Excluding Fire Department 24 hour shift personnel</b>                                       |         |
| Start Date   | 10 days |
| Start of Year 2  | 16 days |
| Start of Year 3  | 20 days |
| Start of Year 4  | 24 days |
| Start of Year 16   | 25 days |
| <b>Fire Department 24 hour shift personnel</b>   |         |
| Start Date   | 5 days  |
| Start of Year 2  | 8 days  |
| Start of Year 3  | 10 days |
| Start of Year 4  | 12 days |
| Start of Year 20   | 13 days |

| <b>Fulltime NBU Hourly Vacation</b>  |   |
|--|---|
| <b>During the first year, vacation <u>accrues</u> during the first 10 months.</b>              |   |
| <b>On each eligible anniversary, annual vacation is <u>advanced</u> for the upcoming year.</b> |   |
| During 1st year of service   | 1 day per month for the first 10 months |
| After completion of 1 year of service  | 12 days                                 |
| After completion of 5 years of service   | 15 days                                 |
| After completion of 9 years of service   | 20 days                                 |
| After completion of 15 years of service  | 25 days                                 |

| <b>Part-time NBU Hourly Vacation</b> |                 |
|--------------------------------------|-----------------|
| 20-29 hours per week                 | 50% of schedule |
| 30 or more hours per week            | 75% of schedule |

These benefits apply exclusively to the positions specified and only to employees who occupy benefit eligible non-bargaining unit City positions on a non-temporary basis.

**SICK LEAVE**

|   |  |
|---|--|
| <b>Fulltime NBU Exempt &amp; Hourly Sick Leave</b><br>Excluding Fire Department 24 hour shift personnel |  |
| Start Date  | 69 hours <b>advanced</b> on the first day of employment. |
| After completion of 1 year of service   | 8 hours of sick leave will accrue each month             |

|   |  |
|---|--|
| <b>Fire Rescue Division Chiefs' Sick Leave (Exempt 24-Hour Shift)</b> |  |
| Start Date  | 96 hours <b>advanced</b> on first day of employment. |
| After completion of 1 year of service                                 | 11.2 hours of sick leave will accrue each month      |

|                                 |                 |
|---------------------------------|-----------------|
| Part-time NBU Hourly Sick Leave |                 |
| 20-29 hours per week            | 50% of schedule |
| 30 or more hours per week       | 75% of schedule |

**SICK LEAVE ACCRUAL FOR PARTICIPANTS OF THE  
OPTIONAL POST-EMPLOYMENT HEALTH SAVINGS PLAN**

Eligible employees may enroll and receive benefits from the City’s Post-Employment Health Savings Plan. The Plan benefits and rules are described in the Plan documents and City policies. The sick leave accrual rate for participants in this plan is listed below.

|   |  |
|---|--|
| <b>Post-Employment Health Savings Plan</b><br>Sick leave accrual is based on a participant’s July 1 sick leave balance. |  |
| <b>EXCLUDING FIRE DEPARTMENT 24 HOUR SHIFT PERSONNEL</b>  |  |
| At least 300, but under 400   | 6.3 hours of sick leave will accrue each month |
| At least 400, but under 500   | 5.5 hours of sick leave will accrue each month |
| 500 or more   | 4.7 hours of sick leave will accrue each month |
| <b>Fire Department 24 hour shift personnel</b>  |  |
| At least 300, but under 400   | 9.5 hours of sick leave will accrue each month |
| At least 400, but under 500   | 8.7 hours of sick leave will accrue each month |
| 500 or more   | 7.9 hours of sick leave will accrue each month |

These benefits apply exclusively to the positions specified and only to employees who occupy benefit eligible non-bargaining unit City positions on a non-temporary basis.

**HOLIDAYS**

All employees, excluding Fire Department 24-hour shift personnel, are eligible for the following paid holidays. Part-time benefit eligible employees receive prorated holiday pay for each official recognized city holiday whether or not the holiday falls on the employee’s regularly scheduled workday. If a part-time employee works on a City recognized holiday, the employee shall receive regular pay for the hours worked, in addition to the applicable holiday pay.

|   |   |
|---|---|
| <b>Holidays – 10 holidays</b>   |   |
| The City shall determine the actual day on which holidays are to be celebrated.<br>50% and 75% benefit eligible employees receive 4 hours and 6 hours respectively. |   |
| New Year’s Day<br>Martin Luther King’s Day<br>Good Friday<br>Memorial Day<br>Independence Day   | Labor Day<br>Veteran’s Day<br>Thanksgiving Day<br>Day After Thanksgiving<br>Christmas Day |

**OTHER PAID AND UNPAID LEAVE**

The City’s Policy and Procedures cover a variety of other types of leave, including: Family and Medical (FMLA), VESSA, Military, Funeral/Bereavement, Jury Duty, and Civic. Eligible employees wishing to take such leave may do so in accordance with the applicable policy.

**OVERTIME**

Non-exempt employees are entitled to overtime in compliance with the Fair Labor Standards Act (FLSA). The City’s Policy and Procedures describe overtime and compensatory time policy and procedures. Specific questions should be addressed to the Personnel Manager.

**HEALTH INSURANCE**

The City will pay the full cost of the premium for the City’s designated standard group health insurance plan(s) for each fulltime employee and 50% or 75% of the cost, as applicable, for benefit eligible part-time employees. Participants may purchase dependent coverage at the group rate. The City will pay 40% of the cost of the premium for standard family dependent coverage for fulltime employees enrolled in a standard family plan. If the City offers a higher cost alternative to the standard group health plan, the participant will pay the excess over the standard rate.

**WAIVING HEALTH INSURANCE**

The City shall maintain a policy in the Policy and Procedures manual that provides partial cash payment or credit to eligible employees who waive their health insurance. This policy shall provide prorated benefits for part-time benefit eligible employees and shall specify the eligibility criteria, the documentation requirements, and the sum or percentage to be paid. Health insurance costs and payments in lieu of insurance will be reflected in the annual budget.

**POST EMPLOYMENT HEALTH INSURANCE**

Separating employees will be provided the opportunity to continue group health insurance at their own cost in accordance with applicable law, including 215 ILCS 5/367f (Firefighters), 5/367g (Police), or 5/367j (IMRF). The City may provide the same or similar health insurance continuation eligibility to employees who separate in good standing with twenty consecutive years of City employment, but are not otherwise eligible for the benefits above.

These benefits apply exclusively to the positions specified and only to employees who occupy benefit eligible non-bargaining unit City positions on a non-temporary basis.



## UNUSED SICK LEAVE

Upon separation an eligible employee who separates in good standing may receive partial payment for his or her sick leave balance. The schedule for such payment is listed below. Eligible Post-Employment Health Savings Plan (PEHSP) participants may voluntarily contribute all or a portion of the sum otherwise due, to his or her post-employment health savings plan per the rules of the Plan and as permitted by law and IRS regulations. Both cash payments and voluntary employee contributions to a PEHSP will reduce the balance of unpaid, unused sick leave that is used in IMRF retirement calculations accordingly, e.g. payment of 10% of 500 hours will reduce the unpaid sick leave by 50 hours.

| An eligible employee who separates in good standing is eligible to receive partial payment for his or her sick leave balance based on years of continuous service. |                           |
|--|---------------------------|
| Service  | Payment based on Service  |
| 10 years of service  | 10% of sick leave balance |
| 15 years of service  | 15% of sick leave balance |
| 20 years of service  | 25% of sick leave balance |
| 25 years of service  | 30% of sick leave balance |
| 30 years of service  | 40% of sick leave balance |
| 35 years of service  | 50% of sick leave balance |

## EXTRA SCHEDULED TIME OFF

Eligible full-time employees (2080 hour annual schedule) shall earn bonus vacation time at the rate of two (2) hours per quarter for each quarter that the employee does not use any sick time. The quarters shall be December through February; March through May; June through August, and September through November. The bonus vacation shall be awarded at the beginning of each December to each employee who has maintained a minimum balance of 69 hours of unused sick leave throughout the year that ended November 30. An employee who receives a bonus for all four quarters will receive an extra bonus of eight (8) hours of vacation for a total award of (16) sixteen hours of vacation. Eligible part-time and 24 hour shift personnel who use no sick leave and maintain the respective minimum sick leave balance listed below shall earn an equivalent bonus based on their designated schedule.

| Schedule | Use no sick leave and maintain a sick leave balance of: | Earn Quarterly Bonus | Earn Extra Bonus | Earn Total Bonus |
|----------|---|----------------------|------------------|------------------|
| Regular  | 69 hours  | 2 hours              | 8 hours          | 16 hours         |
| 50%      | 34.5 hours  | 1 hour               | 4 hours          | 8 hours          |
| 75%      | 51.75 hours   | 1.5 hours            | 6 hours          | 12 hours         |
| 24 hour  | 96 hours  | 2.8 hours            | 11.2 hours       | 22.4 hours       |

## TRADING SICK LEAVE FOR VACATION

Each employee with a minimum sick leave balance of 400 hours as of November 30 may convert, at a 50% rate, up to thirty-two (32) hours of sick leave to up to sixteen (16) hours of vacation. The employee shall submit a written request for conversion to the Department Head no later than December 15. All employees who are absent as a result of this leave will be eligible for emergency call-back. This benefit is not prorated based on schedule.

These benefits apply exclusively to the positions specified and only to employees who occupy benefit eligible non-bargaining unit City positions on a non-temporary basis.

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## **IMRF SERVICE CREDIT FOR PEHSP PARTICIPANTS**

For the sole purpose of computing additional IMRF service credit, the Post-Employment Health Savings Plan participant shall be credited with 8 hours of sick leave per month, instead of the actual accrual, for each month the employee accrued sick leave as a Plan participant.

## **PENSIONS**

### **DEFINED BENEFIT PLAN**

As established by State law, the City contributes to the Illinois Municipal Retirement Fund, the Police and the Fire Funds. The City's contributions are established annually by an actuarial study. Eligibility requirements and other provisions of these plans are described in the plan documents. IMRF information is available through the Personnel Office and IMRF. Police and Fire Plan information is available from each respective Plan's representative.

### **457 PLAN**

In addition to the traditional pension plans, the City sponsors a deferred compensation plan for benefit eligible personnel. The City does not make a contribution to this plan; however, employees may save for retirement by deferring a portion of their wages in this tax-deferred plan.

## **EMPLOYEE DEVELOPMENT, LICENSES AND MEMBERSHIP**

### **PROFESSIONAL LICENSES**

As the City requires professional licenses for various administrative and professional positions, such as City Engineer and City Attorney, it is the policy of the City to pay the full cost for all required professional license fees, following approval by the employee's Department Head. At the discretion of the Department Head and within budgetary constraints, other licenses or certification fees that are strongly desired, but not required, may be partially or fully reimbursed.

### **PROFESSIONAL ORGANIZATION MEMBERSHIP**

It is recognized by the City that it is necessary and beneficial for employees and the City to keep abreast of current technology, equipment, techniques, legislation and ideas to provide the best possible services to the tax payer at the least possible cost. Therefore, upon the authorization of the employee's Department Head, the City will pay the cost for membership in job-related professional organizations that are beneficial to the City.

### **CONFERENCES & TRAINING**

Participation at professional conferences, seminars, and workshops not only serves the employee in continuing his/her educational and professional development, but also assists the City in maintaining efficient and effective managerial and technological practices. Therefore, the City, within budgetary limits, may pay reasonable job-related conference or training fees and associated travel and accommodation costs. Department Head approval will be based upon the potential benefit to the employee and to the City, and the availability of funds.

### **EDUCATIONAL BENEFITS**

The City encourages employees to further their education. Employees who voluntarily pursue job-related educational opportunities outside of work may be eligible for partial or full tuition reimbursement and/or a flexible schedule. Administrative details and eligibility requirements are described in the City's Policy and Procedures.

These benefits apply exclusively to the positions specified and only to employees who occupy benefit eligible non-bargaining unit City positions on a non-temporary basis.