

# CITY COUNCIL REPORT



Meeting Date: **January 9, 2024**  
 Charter Provision: ***Provide for the orderly government and administration of the affairs of the City***  
 Objective: ***Scottsdale Municipal Code Amendment - Post-Employment Health Plan***

## **ACTION**

ADOPT ORDINANCE NO. 4621, AN ORDINANCE OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY TO APPROVE AN AMENDMENT TO CHAPTER 14, "HUMAN RESOURCES MANAGEMENT," OF THE SCOTTSDALE REVISED CODE BY AMENDING SECTION 14-102 TO PROVIDE FOR EMPLOYER CONTRIBUTIONS TO THE POST-EMPLOYMENT HEALTH PLAN.

## **BACKGROUND**

Through the 2023-24 budget process, Council approved funding for contributions to the Post-Employment Health Plan (PEHP) for benefits eligible employees while actively employed. The new benefit will provide eligible employees a \$10 contribution per pay period. The funds contributed to the plan are not taxable to the employee and can be invested based on the employee's projected retirement date. The funds can only be utilized after separation of employment for eligible healthcare expenses.

In order to be eligible for employer contributions, employees must have at least one year of service with City of Scottsdale.

Employer contributions to the PEHP for active employees are being implemented as an enhancement to the City's comprehensive benefits program in an effort to be competitive with other Valley cities that are offering post employment health benefits. The benefit helps support employees' future financial needs with healthcare in retirement.

## **FISCAL IMPACTS**

Council has approved funding for contributions to the PEHP during the budget process. The amount budgeted for FY 2023-2024 is \$619,840.

## **STAFF RECOMMENDATION**

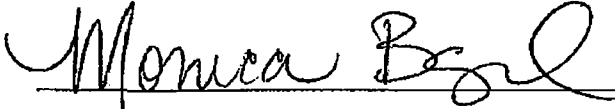
Staff recommends approval of the amendment of the Scottsdale Municipal Code to incorporate employer contributions to the Post Employment Health Plan.

Action Taken Approved on Consent

**STAFF CONTACT**

Lynna Soller, Human Resources Manager, [lsoller@ScottsdaleAZ.gov](mailto:lsoller@ScottsdaleAZ.gov), 480-312-1930

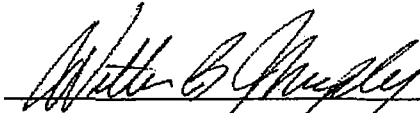
**APPROVED BY**



Monica Boyd, Director of Human Resources  
480-312-2615, [mboyd@ScottsdaleAZ.gov](mailto:mboyd@ScottsdaleAZ.gov)

12/8/23

Date



William B. Murphy, Assistant City Manager  
480-312-7954, [bmurphy@ScottsdaleAZ.gov](mailto:bmurphy@ScottsdaleAZ.gov)

12/8/2023

Date

*Sonia Andrews*

Sonia Andrews, City Treasurer  
480-312-2364, [sandrews@ScottsdaleAZ.gov](mailto:sandrews@ScottsdaleAZ.gov)

12/20/23 09:59 MST

Date

*Jim Thompson*

Jim Thompson, City Manager  
480-312-2800, [jthompson@ScottsdaleAZ.gov](mailto:jthompson@ScottsdaleAZ.gov)

12/20/23 10:03 MST

Date

**ATTACHMENTS**

1. Ordinance No. 4621

ORDINANCE NO. 4621

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, AMENDING THE SCOTTSDALE REVISED CODE, CHAPTER 14, SECTION 14-102, HUMAN RESOURCES MANAGEMENT, RELATING TO EMPLOYEE GROUP INSURANCE.

WHEREAS, the City wishes to amend Scottsdale Revised Code Section 14-102 to provide for the City making contributions to a post-employment health plan for employees.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Scottsdale, Maricopa County, Arizona, as follows:

Section 1. Section 14-102 of the Scottsdale Revised Code is hereby amended as follows with new language shown in shaded format and deleted language in strikethrough format.

Sec. 14-102. - Employee group insurance.

- (a) The city will pay the employee contributions for health, life, ~~and~~ long-term disability insurance ~~and a post-employment health plan~~, as determined by the city council.
- (b) Employee contributions authorized by the city council shall only be paid to the company or companies with which the city has contracted for applicable insurance coverage, or to the city, if the benefit coverage is self-funded.

PASSED AND ADOPTED by the City Council of the City of Scottsdale, Maricopa County, Arizona this \_\_\_\_ day of \_\_\_\_\_, 2024.

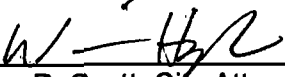
CITY OF SCOTTSDALE, an Arizona municipal corporation

ATTEST:

\_\_\_\_\_  
David D. Ortega, Mayor

\_\_\_\_\_  
Ben Lane, City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Sherry R. Scott, City Attorney  
By: William Hylan  
Senior Assistant City Attorney