

**AN ORDINANCE TO AMEND CHAPTER 40 OF THE CITY CODE
REGARDING HEALTH CARE BENEFITS**

#0491

Sponsor:

**Council
Member
Johnson**

WHEREAS, Section 40-352 of the City Code provides that eligible employees are entitled to receive health care benefits, which may be selected by such employees from plans maintained by the Department of Human Resources; and

WHEREAS, eligible employees have historically had the option to enroll in a family plan that covered both the employees' children and spouses, regardless of the employment status of their spouses; and

WHEREAS, as of July 1, 2024, the City eliminated coverage for eligible employees' spouses if such spouses are employed by employers who offer health care benefits; and

WHEREAS, the decision to remove spouses from the City's health care coverage has resulted in financial hardship for numerous City employees due to (i) the higher cost of obtaining health care coverage for employees' spouses through their respective employers, (ii) a lack of a significant decrease in the cost of the family plan option despite the substantial reduction in coverage, and (iii) stagnant City salaries that have failed to keep up with inflation; and

WHEREAS, the City has had trouble recruiting and retaining employees in recent years, especially employees who provide professional services to the City; and

WHEREAS, the City's decision to remove employed spouses from the City's family plan option will likely further exacerbate the City's ability to recruit and retain professional and other employees; and

WHEREAS, it is anticipated that the City will only save approximately \$250,000 a year by removing employed spouses from the City's health care benefits; and

WHEREAS, in light of the foregoing, City Council deems it necessary and appropriate to amend Section 40-352 of the City Code to require the City to provide health care benefits to legal spouses of eligible employees regardless of the employment status of such spouses.

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF WILMINGTON
HEREBY ORDAINS:**

SECTION 1. Chapter 40 of the City Code is hereby amended by amending Section 40-352 thereof by deleting the stricken language and adding the underlined language to read as follows:

Sec. 40-352. - Health care benefits.

- (a) Eligible employees, including all elected officials, are entitled to receive employee health care benefits, which may be selected by the employee pursuant to the schedule of employee benefit plans maintained by the ~~personnel~~ department of human resources, as amended from time to time.
- (b) The city shall offer an employee benefit plan that includes health care benefits for legal spouses of eligible employees regardless of the (i) employment status of such spouses or (ii) ability of such spouses to receive health care benefits from other sources.
- (c) The city shall pay its portion of the costs of the health care benefits and each employee shall pay his or her portion of the costs of the health care selected by eligible employees pursuant to the schedule of employee benefit plans maintained by the ~~personnel~~ department of human resources, as amended from time to time.
- (d) Eligible employees who can show proof of other medical insurance coverage from a source other than the city may opt to receive payment of \$180.00 per month in lieu of city-provided medical care coverage. Eligible employees who opt-out of city-provided dental insurance coverage shall receive a payment of \$20.00 per month.

SECTION 2. This Ordinance shall become effective on July 1, 2025.

First Reading.....October 17, 2024
Second Reading.....October 17, 2024
Third Reading.....

Passed by City Council,

President of City Council

ATTEST: _____
City Clerk

Approved this ____ day of _____, 2024.

Mayor

SYNOPSIS: This Ordinance amends Section 40-352 of the City Code to require the City to offer health care benefits to legal spouses of eligible employees regardless of the (i) employment status of such spouses or (ii) ability of such spouses to receive health care benefits from other sources. In addition, as a housekeeping matter, this Ordinance replaces the term “personnel department” with “department of human resources.” This Ordinance shall become effective on July 1, 2025.

FISCAL IMPACT STATEMENT: There is insufficient data currently to establish a fiscal impact. The City’s FY 2025 proposed budget summary estimated that it would cost \$250,000.00 overall. The Department of Human Resources estimated that it would cost \$1.2 million overall.

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