



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: AUGUST 16, 2022

FROM: HUMAN RESOURCES DEPARTMENT WARDS: ALL

SUBJECT: ACCEPTANCE OF BLUE SHIELD OF CALIFORNIA'S WELLNESS FUND ALLOWANCE IN THE AMOUNT OF \$50,000 - SUPPLEMENTAL APPROPRIATION

ISSUES:

Acceptance of a Wellness Fund Allowance from Blue Shield of California and authorization of a supplemental appropriation in the amount of \$50,000 for use by the Human Resources Department for the Employee Wellness Program.

RECOMMENDATIONS:

That the City Council:

1. Accept \$50,000 from the Blue Shield of California as a Wellness Fund Allowance; and,
2. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record an increase in estimated revenues and supplemental appropriation in the Grants and Restricted Programs Fund, Human Resources Administration, Wellness Program revenue and expenditure accounts in an amount up to \$50,000 to provide various employee wellness programs and initiatives during calendar year 2022.

BACKGROUND:

As part of the 2022 plan year health insurance renewal process, Blue Shield of California authorized a \$50,000 donation to the City to be utilized towards funding of the City's employee Wellness Program.

The City's Wellness Program has been in place since June 2009. The Program focuses on four elements of Wellness: Physical, Career, Emotional, and Financial. The mission of the City's Wellness Program is, "To foster and encourage a healthy lifestyle that focuses on the four essential elements of wellness. To ensure that employees have the tools and resources necessary to succeed in each aspect of wellness, which is an integral part of a motivated and successful workforce."

DISCUSSION:

The Benefits Division of the Human Resources Department is requesting the authorization to accept the Blue Shield Wellness Fund Allowance and appropriate the funds to the Wellness Program to cover employee wellness activities, including wellness challenges, incentives, employee flu shots, wellness workshops, and other related employee wellness programs.

The terms of the Wellness Fund Allowance from Blue Shield include a requirement that the \$50,000 is to be utilized between policy period January 1, 2022 – December 31, 2022. This allowance also includes the following Wellness Fund Allowance Assumptions during the policy period:

1. The City is in compliance with all proposal assumptions outlined in the rate proposal.
2. The City remains with Blue Shield for the entire policy period and has met its financial obligations (timely payment of premiums) during the year. If a group terminates prior to the end of the policy period, Blue Shield reserves the right to recover these funds.
3. The City agrees to provide a detailed invoice to their assigned Blue Shield Account Manager to demonstrate fund usage associated with activities, programs, or services. Allowance dollars will be reimbursed by Blue Shield directly to the group in the form of a separate check. These funds cannot be paid to a broker or vendor.
4. Assumes use of wellness funds during policy period described above. Any portion of the fund that remains unused after the policy period will be forfeited by the group.

Annual Wellness Fund Allowances are not guaranteed, and the receipt of future allowances is unknown.

The Human Resources Department intends to utilize the Wellness Fund Allowance towards the implementation of an interactive virtual wellness challenge offered by Kaiser Permanente; to purchase incentives for participants; to cover the cost of flu shots and offer other wellness programs including wellness workshops/fairs/activities and biometric screenings to all city employees.

STRATEGIC PLAN ALIGNMENT:

This council item contributes to **Strategic Priority 5 – High Performing Government** and **goal 5.5**, Foster a culture of safety, well-being, resilience, sustainability, diversity, and inclusion across the city organization, and aligns with each of the City's Strategic Cross-Cutting Threads.

1. **Community Trust** – An established wellness program leads to lower insurance costs, reduced turnover, reduced absenteeism rates, and a better public image. When an organization invests in employee wellbeing, it builds a good reputation among the community and potential new hires.
2. **Equity** – The Wellness Fund Allowance provides a budget to fund the City's employee wellness program, which is accessible to all benefited employees equally.
3. **Fiscal Responsibility** – Funds for all wellness-related activities are generated from the Wellness Fund Allowance and will not impact the City of Riverside's general fund. Additionally, wellness programs can result in measurable savings in the form of reduced healthcare costs. By improving the health of the City's workforce, employees are less likely to get sick or be injured on the job, saving both themselves and the City money in healthcare expenses.

4. **Innovation** – The City of Riverside’s employee Wellness Program provides unique and rewarding activities, events, challenges, and wellness education to improve the health of employees and improve employee engagement and morale.
5. **Sustainability & Resiliency** – Acceptance of the Wellness Fund Allowance will allow the employee Wellness Program to remain self-sustaining and continue for another year or more.

FISCAL IMPACT:

The fiscal impact of this action is \$50,000. With at least five affirmative votes of the City Council, the Chief Financial Officer, or designee, will record an increase in revenues, in an amount up to \$50,000, in the Grants and Restricted Programs Fund, Human Resources Administration, Wellness Program revenue account no. 2100001-374219 and supplemental appropriation, in an amount up to \$50,000, in the Grants and Restricted Programs Fund, Human Resources Administration, Wellness Program expenditure account no. 2100001-453221.

Prepared by: Rene Goldman, Human Resources Director
Certified as to
availability of funds: Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/City Treasurer
Approved by: Rafael Guzman, Assistant City Manager
Approved as to form: Phaedra A. Norton, City Attorney

Attachments:
1. Wellness Fund Allowance Assumptions
2. Presentation