



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: JUNE 1, 2021**

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 employee wellness programs.

RECOMMENDATIONS:

That the City Council:

1. Accept \$50,000 from Blue Shield of California as a Wellness Fund Allowance to provide various employee wellness programs and initiatives during calendar year 2021; and
2. With at least five affirmative votes, authorize a supplemental appropriation in the amount of \$50,000 to the General Fund Wellness Program Account 2100000-453221, which is fully offset by revenue in General Fund Wellness Program Revenue Account 2100000-374219.

BACKGROUND:

As part of the 2021 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 "[t]o 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 1/1/2021 – 12/31/2021. 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 course of 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 donation 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.

The use of funds toward the City's Employee Wellness Program is consistent with the City Council's strategic plan "Envision Riverside 2025", specifically strategic priority "High Performing Government" and Goal 5.5 to "Foster a culture of safety, well-being, resilience, sustainability, diversity, and inclusion across the city organization." In addition, the Employee Engagement Survey (Fall 2019) identified several employee priorities including "training and development opportunities", which the use of this donation will allow for continued employee wellness focused programming.

FISCAL IMPACT:

The fiscal impact of this recommendation is \$50,000. Upon City Council authorization, with at least five affirmative votes, \$50,000 will be appropriated in the General Fund Wellness Program Account 2100000-453221, which is fully offset by revenue in General Fund Wellness Program Revenue Account 2100000-374219.

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

Attachments: Wellness Fund Allowance Assumptions