



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: MAY 21, 2024

FROM: HUMAN RESOURCES DEPARTMENT WARDS: ALL

SUBJECT: ACCEPTANCE OF BLUE SHIELD OF CALIFORNIA'S WELLNESS FUND ALLOWANCE IN THE AMOUNT OF \$70,000 - SUPPLEMENTAL APPROPRIATION

ISSUE:

Acceptance of a Wellness Fund Allowance from Blue Shield of California and authorization of a supplemental appropriation in the amount of \$70,000 for use by the Human Resources Department for the employee Wellness Program.

RECOMMENDATIONS:

That the City Council:

1. Accept \$70,000 from Blue Shield of California as a Wellness Fund Allowance to provide various employee wellness programs and initiatives during calendar year 2024; and
2. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record and increase in revenue in the amount of \$70,000 and appropriate an equal amount in the Grants & Restricted Programs Fund, Human Resources-Admin, Wellness Program revenue and expenditure accounts.

BACKGROUND:

As part of the 2024 plan year health insurance renewal process, Blue Shield of California authorized a \$70,000 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 \$70,000 is to be utilized between policy period 1/1/2024 – 12/31/2024. 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 App through Motion Connected; 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 lowered 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 recommendation is \$70,000. Upon City Council approval, an increase in revenue in the amount of \$70,000 will be recorded and an equal amount appropriated in the Grants & Restricted Programs Fund, Human Resources-Admin, Wellness Program revenue account number 2100001-374219 and expenditure account number 2100001-453221.

Prepared by: Rene Goldman, Human Resources Director
Certified as to
availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by: Edward Enriquez, Assistant City Manager/Chief Financial Officer
Approved as to form: Phaedra Norton, City Attorney

Attachment: Wellness Fund Allowance Assumptions