

Benefits Study Recommendations Explanation

The following recommendation explanations outline a consolidation of information gathered in Benefits Study Listening Sessions, and what each benefit type means. This document is utilized as supplementary information to the Benefits Study Recommendation Table. **This document serves as a roadmap for further evaluation of each benefit listed – not the implementation timeline of the benefit.** Information will be updated on the City's Benefit Study page pertaining to proposed implementation status. *If employees are not viewing information in the recommendations that they provided, that means that the idea did not have the highest frequency and priority but could however be addressed in the future.*

The Benefits Study Group made recommendations based on the following considerations:

- Priority = Based on Employee Need (frequency requested in listening session activities), Value to Employee, and Employee Pressure Addressed
 - High Priority
 - Medium Priority
 - Low Priority
 - Departmental
 - Statutory

- Evaluation Term – The feasibility of evaluating the benefit in terms of complexity (this considers phasing, and potentially multiple terms per benefit item)
 - Immediate (0-3 months)
 - Short-Term (3-6 months)
 - Mid-Term (6-18 months)
 - Long-Term (18+ months)

- Financial/Human Resources Needed
 - Low
 - Moderate
 - Significant

High Priority/Immediate Evaluation Term (Evaluation in 0-3 Months)

PRIORITY	EVALUATION OF BENEFIT TERM			
	IMMEDIATE	SHORT-TERM	MID-TERM	LONG-TERM
HIGH	<p>Health Insurance – Increase City Contribution to Premium</p> <p>Retiree Health – Increase City Contribution</p> <p>Maternity/Paternity/Adoption Leave + Elder Care Leave</p>			
MEDIUM				
LOW				

- Health Insurance – Increase City Contribution to Premium – The employer’s contribution to health insurance is currently 75% (FY 2024) of the total premium across all tiers (e.g., employee only, employee and one child, employee and children, employee and family, etc.). During the Listening Sessions, employees requested that the City pay more toward the premium, with some employees specifying that the City pay 100% for employee only. Some employees noted to modify the employer percentage per tier and to reduce premiums if there are spouses who both work for the City. This evaluation is made based on budgetary allowances for FY 2025, which proposes absorbing a 4% insurance increase, and raises the employer contribution to 78% for all tiers. This will continue to be a consideration in the short-term section as an evaluation priority.
- Retiree Health Insurance – Increase City Contribution – The City’s current policy allows for post-retirement health benefits (*Section 5.9 of the City of Harrisonburg Personnel Manual*) if the employee has met the eligibility criteria (VRS service or disability retirement, at least 15 years of consecutive retirement eligible service with the City immediately prior to retirement, participation in the City’s health insurance plan for a minimum of five years immediately prior to retirement, and is not eligible for Medicare). The City contributes to the health care premium at the rate of \$10.00 per month for each full year of full-time service to a maximum of \$350.00 per month. Some employees noted that they would

like to see a higher contribution by the City toward retiree health care, as well as more equity for hazardous duty positions. Employees noted that they would like to see the City's premium contribution to be at least the same percentage as contributed for current employees. In addition, some employees noted that they would like to see a vesting requirement of less than 15 continuous years of service.

This was listed as a high employee priority related to a common employee pressure (future financial planning/ability to afford retirement) and a need in the employee Listening Sessions. This recommendation for immediate term is an increase in the monthly City contribution and may be delayed to short- or mid-term based on a potential need to involve financial actuaries. In addition, this consideration was not included in the FY 2025 budget due to constraints.

- Maternity/Paternity/Adoption Leave + Adult Care Leave – The City does not currently offer paid maternity, paternity, adoption, and adult care leave. Employees noted in the listening sessions that they would like to see this benefit be added. Care for dependents and family planning was among the highest employee pressures noted. Policy benchmarking and financial impact will be evaluated.

High Priority/Short Evaluation Term (Evaluation in 3-6 Months)

PRIORITY	EVALUATION OF BENEFIT TERM			
	IMMEDIATE	SHORT-TERM	MID-TERM	LONG-TERM
HIGH		Health Insurance – Cost/Coverage Retiree Health Family Sick Leave Leave Other Leave (PTO/Vacation & Sick Leave) Leave for PT Employees		
MEDIUM				
LOW				

- Health Insurance – Cost/Coverage – The Health Insurance (Cost/Coverage) section includes Listening Session comments related to reduction in premium costs (as stated in the high priority/immediate term section above), better coverage (less exclusions/less limitations), and less out-of-pocket for the employee and their dependents (related to co-pays, co-insurance, and annual out-of-pocket maximum). This was relocated to a short-term evaluation term because request for proposals with our current insurance plan are not due for an additional two years. However, the Benefits Study Group heard general comments related to the following: hearing benefit coverage, alternative pain management coverage, weight management coverage, greater psychological health coverage, ADHD coverage, Autism coverage, more plan options, specialist co-insurance concerns, prescription drug coverage concerns, network concerns, coverage related to labs, and other out-of-pocket concerns that are a surprise. Evaluation of plan types, co-insurance, co-pays, and deductibles will be considered in relation to financial implications.
- Retiree Health - The City’s current policy allows for post-retirement health benefits (*Section 5.9 of the City of Harrisonburg Personnel Manual*) if the employee has met the eligibility criteria (VRS service or disability retirement, at least 15 years of consecutive retirement eligible service with the City immediately prior to retirement, participation in the City’s health insurance plan for a minimum of five years immediately prior to

retirement, and is not eligible for Medicare). The City contributes to the health care premium at the rate of \$10.00 per month for each full year of full-time service to a maximum of \$350.00 per month. Some employees noted that they would like to see a higher contribution by the City toward retiree health care, as well as more equity for hazardous duty positions. Employees noted that they would like to see the City's premium contribution to be at least the same percentage as contributed for current employees. In addition, some employees noted that they would like to see a vesting requirement of less than 15 continuous years of service. This was listed as a high employee priority related to a common employee pressure (future financial planning/ability to afford retirement) and a need in the employee Listening Sessions.

This recommendation for the short-term is for the evaluation of the City policy and the overall evaluation of the program involving actuaries to calculate the long-term financial liability/risk of more highly funding retiree healthcare. Involving actuaries will be a time-consuming endeavor, thus the Benefit Study Group placed this recommendation in this evaluation category.

- Family Sick Leave – The City's current policy (*Section 6.9(D) of the City of Harrisonburg Personnel Manual*) restricts the use of sick leave for dependent care to forty-eight (48) hours per calendar year. While not all employees receive sick leave (post January 1, 2014), this was mentioned frequently by employees who have this leave type. It was noted that there is a large number of hours of sick leave accumulated and that the policy restriction should be lifted. This benefit was recommended to be evaluated in the same term and at the same priority with other leave types, and the Benefits Study Group wanted to highlight this as a particular concern due to the employee pressure of care for dependents.
- Leave Other – The Leave "Other" category and recommendation includes an evaluation of the following employee-highlighted leave types: personal time, community/volunteer leave, bereavement leave (pet and human), administrative leave, and military leave. This recommendation also includes employee comments related to leave accumulation (when and how much), upfront leave allowance upon hire, and leave accrual reciprocity for VRS service.

Personal time was related to having a birthday off of work (paid), for family activities, or for psychological health. Community/volunteer leave was specified in order to give back to the community or non-profit organization of an employee's choice. Bereavement leave was brought up in relation to the strict definition of who constitutes an employee's family, travel for funeral, executor to the estate, and time to grieve a pet. Administrative leave was related to utilizing work time for education, in addition to discussions about inclement weather. Finally, military leave was related to amount provided.

- Leave (PTO/Vacation & Sick Leave) – City policy currently provides for a Vacation & Sick Leave System for employees hired before January 1, 2014 and a Paid Time Off (PTO) Leave System for employees hired after January 1, 2014. This occurred when VRS implemented the requirement for a Short Term Disability benefit for Hybrid employees. At the same time, the City observed a trend toward a PTO leave system. As of this report date, the City has greater than 60% of the employee population on a PTO leave system. During the Listening Sessions, however, there was exhibited a high frequency of employees who voiced a desire to (1) remain on a Vacation & Sick Leave System (if they are currently under that system) and (2) to add a sick leave bank to employees who currently earn PTO. Some employees noted that they liked the PTO system or did not know any major difference while most others noted that it is very difficult related to self-care and dependent care and encourages employees to come to work ill. Employees in public safety or other required 24/7 staffing generally noted that PTO is

more difficult in their departments. This recommendation is an evaluation of providing PTO employees with a sick leave bank and how that will impact the provision of Short Term Disability policies. Adding additional leave hours is considered a high priority/mid-term evaluation recommendation due to the potential impact on minimally staffed departments.

- Leave for Part-Time Employees – City policy formerly provided leave for regular, part-time employees based on a formula of hours worked. During the Listening Sessions for part-time employees, evaluation of this benefit was requested. An evaluation of administrative and financial implications will be considered.

High Priority/Mid-Term Evaluation Term (Evaluation in 6-18 Months)

PRIORITY	EVALUATION OF BENEFIT TERM			
	IMMEDIATE	SHORT-TERM	MID-TERM	LONG-TERM
HIGH			Leave - Add More Dental Insurance Vision Insurance 457 Employer Contribution/Match	
MEDIUM				
LOW				

- Leave – Add More – Leave amounts (accumulation, number of hours per years of service, maximum leave carryover, etc.) will be evaluated during this term, as there can be a direct impact on departmental workload per person, minimum staffing requirements, and other operational considerations and requirements. This benefit item was held at a high priority due to this being the number one requested benefit related to the alleviation of employee pressures. During the Listening Sessions, when employees requested more leave, facilitators requested clarification related to leave types, and this was leave in general (not to be confused with a certain type of leave). An evaluation of financial and workload implications will be considered.
- Dental Insurance – The dental insurance benefit was highlighted for evaluation in relation to the provision of better coverage, the inclusion of orthodontia, and less out of pocket expenses (co-pays, co-insurance, annual out-of-pocket maximum) related to dental insurance. Many employees cited concerns with network issues and major care expenses.

- Vision Insurance – The vision insurance benefit was highlighted in relation to the provision of better coverage, less out of pocket expenses (co-pays, co-insurance, annual out-of-pocket maximum), and more participating practices/vendors. Many employees cited concerns that the insurance is not very impactful, even though the premium is minimal.
- 457 Defined Contribution & 401K Roth IRA Contribution/Match – While all City employees enjoy a defined benefit retirement plan through VRS (pension plan funded in large part by the City), it was highlighted that there is a desire for a small match by the City to the employee's 457 or 401K contribution. Whether an employee is making a contribution out of a VRS requirement (VRS Hybrid Plan) or voluntarily, there were comments made pertaining to a City contribution and the evaluation of that expense. An evaluation of financial implications will be considered.

Medium Priority/Short Evaluation Term (Evaluation in 3-6 Months)

PRIORITY	EVALUATION OF BENEFIT TERM			
	IMMEDIATE	SHORT-TERM	MID-TERM	LONG-TERM
HIGH				
MEDIUM		Education Reimbursement Holidays Clothing Allowance Years of Service Recognition Sick Leave Payout		
LOW				

- Education Reimbursement – The City currently has an Education & Training Program (*Procedures Memorandum #17*) that allows eligible full-time and part-time employees to participate in education reimbursement. If employees reach the eligibility and criteria for reimbursement, they can receive either 75% of expenses to a maximum of \$500 per fiscal year (employees with 1-3 years of service) or 100% of expenses to a maximum of \$1,000 per fiscal year. Employees contributed the following information pertaining to education reimbursement in the Listening Sessions: provision of a higher amount for reimbursement, tuition/loan forgiveness through the City, vocational learning not related to the employee’s current role, removing the policy requirement for years of service to receive the program benefit, a creation of a tiered program by degree type, increase related on per credit hour institution costs. In addition, there were some discussions related to the provision of City higher education scholarships for employee dependents or the “passing along” of the benefit from the employee to their dependent(s). An evaluation of financial impact will be provided.
- Holidays – Holiday leave was primarily categorized in the “Do Not Change” section of the Listening Sessions, as employees have enjoyed receiving the 15.5 holidays per year, at their applicable “day”. In addition, and in keeping with the City’s DEIAB efforts, there was some feedback related to providing “floating holidays”, which provides employees the ability to substitute certain public holidays for a day of their

choice. Or, an employer can designate, for instance, a few days for employees to use for cultural or religious holidays in addition to publicly observed holidays. Other comments related to holidays include the following: upfront holiday leave hours for civilian employees working in public safety, make any half days full holidays, and specifying additionally designated holidays (September 11th, Easter Sunday, New Year's Eve, etc.).

- Clothing Allowance – Employees expressed that they would like to see an evaluation of the clothing allowance as of this date and on an annual basis thereafter. Field employees especially expressed concern related to the cost and quality of footwear, pants, and coveralls. An evaluation of City policy, departmental practice, and financial impact will be considered.
- Years of Service Recognition – A Years of Service Recognition Banquet is hosted twice a year and includes a catered lunch, certificate, and years of service lapel pin provided to employees who have met five-year increments in employment with the City (i.e., 5, 10, 15, 20, 25, 30, 35, 40). While this banquet is appreciated, employees expressed that a monetary incentive be provided with the certificate. An evaluation of the financial impact of this benefit will be provided.
- Sick Leave Payout – Current City policy (*Section 6.9(I) of the City of Harrisonburg Personnel Manual*) outlines the payment of sick leave at separation (resignation, retirement, termination, death) based on years of consecutive service. In addition, the policy allows retiring employees to use the payout to purchase VRS service credit or to contribute to their tax-deferred compensation plan. This benefit only applies to those employees who were hired before January 1, 2014, unless changes are made to the leave systems noted above. During the Listening Sessions, employees noted that the accumulated sick leave dollar amount has not been modified, even though employee wages have been modified. It was also noted that increasing the threshold would be an incentive to not abuse the sick leave benefit. An evaluation of the long-term financial liability/impact of this benefit will be provided, including an annual evaluation of the threshold.

Medium Priority/Mid-Term Evaluation Term (Evaluation in 6-18 Months)

PRIORITY	EVALUATION OF BENEFIT TERM			
	IMMEDIATE	SHORT-TERM	MID-TERM	LONG-TERM
HIGH				
MEDIUM			Sick Leave Donation Pet Insurance Housing Assistance/ Homebuyer Assistance/ Commuter Assistance Insurances for PT Employees	
LOW				

- Sick Leave Donation – Employees expressed an interest in a sick leave donation policy for those experiencing catastrophic illness/injury who will not have enough leave to cover their period of recovery. An evaluation of sick leave donation or a sick leave bank will be made, considering the administrative and policy implications.
- Pet Insurance/Pet Assistance – Interest was expressed related to providing access to and a monetary contribution to pet insurance. Cost for pet care was listed among employee pressures. The evaluation of applicable insurance options and financial implications will be considered.
- Housing Assistance, Homebuyer Assistance, Commuter Assistance – Some employees cited difficulty in finding property in and around the City or high cost of living in and around the City, noting that homebuyer, rental, and commuter assistance would be appreciated. An evaluation and benchmarking of existing programs will be considered, in addition to the financial impact of providing this benefit.

- Health Insurances for Regular, Part-Time Employees – An interest was shown by regular, part-time employees in having access to health insurance above and beyond the provisions of the Affordable Care Act. An evaluation of the cost for part-time access will be considered.

Medium Priority/Long Evaluation Term (Evaluation in 18+ Months)

PRIORITY	EVALUATION OF BENEFIT TERM			
	IMMEDIATE	SHORT-TERM	MID-TERM	LONG-TERM
HIGH				
MEDIUM				Childcare/Daycare
LOW				

- Childcare/Daycare – A significant pressure that City employees currently experience is lack of affordable childcare for a variety of shiftwork schedules, operational situations, emergency hours, after-hours, and summer care (when school is out). Cost was also highlighted as a major concern related to family planning. This benefit has been placed into the applicable evaluation term due to the respective financial and human resources necessary and expected to support a City-sponsored care facility. An evaluation of the actual financial impact will be considered.

Low Priority/Short Evaluation Term (Evaluation in 3-6 Months)

PRIORITY	EVALUATION OF BENEFIT TERM			
	IMMEDIATE	SHORT-TERM	MID-TERM	LONG-TERM
HIGH				
MEDIUM				
LOW		<p>City Benefits – Parks & Recreation</p> <p>Emergency & Inclement Weather</p>		

- City-Offered Benefits – Parks & Recreation – City employees currently receive free access to the Parks & Recreation amenities – the fitness gyms and pool – and receive the resident rate for fitness classes and golf. During the Listening Sessions, employees noted that they would like for gyms and the pool to be more accessible (variety of hours), they would like to receive a further discount (or free access) to fitness classes/golf if they are already a City resident, and they would like for the free access to extend to their immediate family/household. An evaluation of the philosophical approach related to employee access and membership will be considered, in addition to any financial implications for the Parks & Recreation Department.
- Emergency & Inclement Weather + Emergency Work – The City currently has an emergency/inclement weather policy (*Procedure Memorandum #14*) that designates how and when employees are compensated in inclement weather events. There was discussion during Listening Sessions that highlighted some concerns, especially for part-time employees and employees designated as essential. In addition to this conversation, benefits for emergency work, night work not regularly-scheduled, and hazardous work was discussed to be considered. An evaluation of the policy will be proposed.

Low Priority/Mid-Term Evaluation Term (Evaluation in 6-18 Months)

PRIORITY	EVALUATION OF BENEFIT TERM			
	IMMEDIATE	SHORT-TERM	MID-TERM	LONG-TERM
HIGH				
MEDIUM				
LOW			Flexible Spending Account Health Savings Account Gym Membership	

- Flexible Spending Account & Health Savings Account – Currently, the City provides a Flexible Spending Account (FSA) option for employees to set aside pre-tax dollars for certain health care or dependent care expenses as defined by the IRS. The City does not currently contribute to an FSA for employees. In addition, the City offers a high deductible health plan that is accompanied by a Health Savings Account (HSA). The City currently contributes annually at the beginning of each fiscal year. During the Listening Sessions, employees generally expressed gratitude pertaining to having access to an FSA or HSA. However, employees noted that they would like to see the City consider a greater contribution to the HSA. Due to IRS changes in FY 2025, employees will see a change in the contribution that the City makes to their account.
- Gym Memberships – Despite the provision of gym facilities owned by the City, employees noted that they would like the benefit of a gym membership of their choice (due to not living within City limits or finding comfortability at a gym that has different amenities, accessible hours, and unique classes). Physical and psychological care for self was highlighted as an applicable employee pressure. An analysis of policy language and financial impact will be considered.

Low Priority/Long Evaluation Term (Evaluation in 18+ Months)

PRIORITY	EVALUATION OF BENEFIT TERM			
	IMMEDIATE	SHORT-TERM	MID-TERM	LONG-TERM
HIGH				
MEDIUM				
LOW				<p>Pet Care</p> <p>Employee Assistance Program</p>

- Pet Care – Concerns over care for pets was listed among pressures that employees have. Comments in Listening Sessions were related to pet assistance services such as daycare, boarding, exercising, and discounts to pet-related care sites. An evaluation of lifestyle accounts, pet care services, and any monetary contribution will be considered.
- Employee Assistance Program – The City currently provides access to the Anthem Employee Assistance Program (EAP) for employee resources related to psychological services, addiction and recovery services, financial planning services, emotional well-being, ID theft recovery, caregiving, mindfulness, and more. Employees expressed that they would like to see more free sessions and the expansion of services. Some employees noted that the EAP is cumbersome, and it can be difficult to locate the needed resource in a quick manner. An evaluation of this benefit will be considered, in addition to any financial implications.