



## **REPORT TO TOWN BOARD**

**FROM: Andrew J. Quarnstrom, Township Supervisor**

**DATE: October 3rd, 2023**

**SUBJECT: Employee Health Insurance Waiver, Resolution 2023-1002**

**A. Introduction:** The purpose of this Resolution is to authorize the Township Supervisor to administer a health insurance waiver program which would pay \$200.00 per month to full-time employees who opt out of the Township's health insurance plan.

**B. Recommended Action:** The Township Administration recommends approval of this Resolution.

### **C. Summary:**

The City of Champaign Township's staffing has increased from nine full-time equivalents (FTE) in late 2022 to an average of thirty-five FTE's. The increase is solely due to the addition of the Strides Low Barrier Shelter. As expected, a significant amount of the Strides budget is due to salaries and benefits for employees. Health insurance costs continue to be a significant portion of those costs with annual increases likely for the foreseeable future. One way to offset Township costs is to provide a \$200.00 per month waiver to staff who opt out of the Township's healthcare plan. This Resolution provides that opportunity and it is expected that between five and 10 employees will take advantage of the opt out waiver program.

### **D. Background:**

**1. Strides Low Barrier Shelter:** The City of Champaign Township, in partnership with the City of Champaign as a funder, opened the Strides Low Barrier Shelter on December 12, 2022. Current staffing at the shelter varies from between twenty-five and thirty. All staff at the shelter are full time and eligible for benefits including health insurance.

**2. Health Insurance Waiver Program:** To lessen the financial burden of healthcare costs for the Township, employees who have provided documentation indicating that they have current, comparable health insurance from another source would have the ability to opt out of the Township's health insurance program. In doing so, employees would receive \$200.00 per month, taxed, at the end of the year for a total of \$2,400.00. Employees who opt out and leave prior to the end of the year will receive a pro-rated amount based on their service time.

### **E. Alternatives:**

1. Approve Resolution 2023-1002, a Resolution allowing the City of Champaign Township to provide health insurance waivers to full-time employees in the amount of \$200.00 per month.

2. Do not approve Resolution 2023-1002, a Resolution allowing the City of Champaign Township to provide insurance waivers to employees in the amount of \$200.00 per month.

**F. Discussion of Alternatives:**

**Alternative 1** approves Resolution 2023-1002 and allows the City of Champaign Township to provide health insurance waivers to employees in the amount of \$200.00 per month.

**a. Advantages**

-Approving Resolution 2023-1002 will offer annual savings to the Township of approximately \$12,000.00, depending on the number of individuals that participate.

**b. Disadvantages**

-By implementing the waiver program, the Township will see increased staff time of about six hours annually.

**Alternative 2** Do not approve Resolution 2023-1002 and provide Township leadership with further direction.

**a. Advantages**

-None.

**b. Disadvantages**

- Not approving Resolution 2023-1002 adds an extra financial burden to the Township as benefits costs will be higher.

**G. Community Input:** Input can be given during the public comments section of the meeting at which this item is considered.

**H. Budget Impact:** Should the Resolution be approved, the Township will save an average of \$12,000.00 per year that the waiver program is in place.

**I. Staffing Impact:** Approximately 1 hour of staff time was needed to write this report. Additionally, about 3 hours of staff time per month will be needed for reporting and grant documentation.

Prepared by:

Andrew Quarnstrom  
Township Supervisor