



AGENDA

LONOKE CITY COUNCIL
SPECIAL MEETING
November 16, 2020
6:00 P.M.
Via ZOOM

1. CALL TO ORDER WITH INVOCATION
2. ROLL CALL
3. FAMILY HEALTH BENEFIT FOR FULL-TIME EMPLOYEES – ARLM RESPONSE IS ATTACHED
4. ADJOURN

From: Regina Ibbotson <DepCityClerk@cityoflonoke.com>
Sent: Tuesday, November 10, 2020 8:31 AM
To: Lanny Richmond <lrichmond@arml.org>; John Wilkerson <jwilkerson@arml.org>
Cc: kbodenhammer@arml.org
Subject: Legal Question concerning MHBF

Lanny/John/Katie-

I am sending to all to try and get a quick response to something that happened last night at our city council meeting. We are trying to increase **employee** benefits to keep quality employees and supplementing a portion of family coverage was brought up at the council meeting for consideration. I know that many cities do this and some even pay 100% of family coverage. We already pay 100% of single coverage for employees and elected officials. We are not able to afford 100% right now so we pitched to the council to allow us a \$225/mth benefit toward their premium (\$452.12) for any employee wanting to obtain family coverage. After polling our employees, there are only 12 that are interested at this time. The majority of employees are single or are on Obamacare or Our Kids.

Our city attorney voiced some concern that we might be discriminating against employees that were single. Do you see this as a valid form of discrimination? Can you tell me what other cities offer any benefit toward family coverage through MH P and what those benefit percentages look like? Those were the two questions she wanted answered.

Thanks,

Regina

Regina Ibbotson
Deputy City Clerk
City of Lonoke
T: 501-676-4300 ext 2
F: 501-676-2500



Regina Ibbotson

From: Lanny Richmond <lrichmond@arml.org>
Sent: Tuesday, November 10, 2020 8:43 AM
To: Regina Ibbotson; John Wilkerson
Cc: Katie Bodenhamer
Subject: RE: Legal Question concerning MHBF

Follow Up Flag: Follow up
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Regina,

I appreciate the City's concern on something like this. While this benefit might inadvertently provide more benefits in the short term to pre-existing families, I do not think it crosses a line into actionable discrimination. The benefit is offered to all employees, not just those who now have families, and I suspect many of the single employees will one day use this benefit.

When it comes to favoring certain groups of employees not all differences are "illegal." As long as the distinction between employees is not over a "protected class," (race, sex, national origin, etc.) or a "fundamental right," then the government is given broad discretion to make these distinctions. For example, different departments could receive different benefits without violating the Constitution. This is most easily seen in the specific benefits uniformed personnel receive compared to other employees.

This type of distinction receives what the courts call "rational basis" review. Under rational-basis review in an equal protection context, 'a classification cannot run afoul of the Equal Protection Clause if there is a rational relationship between the disparity of treatment and some legitimate governmental purpose.'" *U.S. v. Pollard*, 326 F.3d 397, 407 (3d Cir.2003) (quoting *Heller v. Doe*, 509 U.S. 312, 320, 113 S.Ct. 2637, 125 L.Ed.2d 257 (1993)). Rational basis review is extremely deferential to the government.

I am not overly concerned with the City offering reduced cost family benefits to its employees. The rule applies to all employees equally and its goal, entice or retain employees, will succeed. Even single employees can consider this a benefit if their circumstances ever change.

At least, that's my thoughts on it.

Sincerely,
Lanny Richmond II
Legal Counsel, Arkansas Municipal League

Regina Ibbotson

From: Katie Bodenhamer <KBodenhamer@arml.org>
Sent: Thursday, November 12, 2020 11:21 AM
To: Regina Ibbotson
Subject: RE: Legal Question concerning MHBF

Sorry it took a day—I meant to send Tuesday afternoon and had to drop offline early.

See below for a sampling of cities that pay a portion of the family coverage.

Sherwood pays 59% of the family rate
Cabot pays 75% of the family rate
Ward pays 60% of the family rate
McCrary pays 50% of the family rate

From: Regina Ibbotson <DepCityClerk@cityoflonoke.com>
Sent: Tuesday, November 10, 2020 11:57 AM
To: Katie Bodenhamer <KBodenhamer@arml.org>
Subject: RE: Legal Question concerning MHBF

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That would be awesome!!

Regina

Regina Ibbotson
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