



Legislation Text

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ORDINANCE NO. 250133

Sponsor: City Manager

Amending Chapter 2, Code of Ordinances, Administration, by repealing and replacing Sections 2-1302 and 2-1390, to amend the membership of and establish a chair for the Worker's Compensation Board and the Healthcare System Board of Trustees; to amend the duties of the Healthcare System Board of Trustees; and to establish regulations for the operation of the Healthcare System Board of Trustees.

WHEREAS, the City relies on the Board of Trustees for the Healthcare System (the Board) to manage and direct the affairs of its Healthcare System; and

WHEREAS, the Director of Human Resources and the Director of Finance currently serve as ex-officio members of the Board and are entitled to attend and participate in meetings but are not normally authorized to vote and do not count towards establishing a quorum; and

WHEREAS, the City believes, due to the knowledge associated with their positions, Director of Human Resources and the Director of Finance should be granted a vote in all matters that come before the Board; NOW THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. Chapter 2, Code of Ordinances, Administration, is amended by repealing Section 2-1302, and enacting in lieu thereof a new section of like number and subject matter, to read as follows:

**Sec. 2-1302. Administration of Workers' Compensation Law.**

(a) *Establishment of the board.* There is established the workers' compensation board for the purpose of supervising the city's workers' compensation program.

(b) *Membership.* The board shall consist of the Kansas City members of the healthcare trust, or any successor organization to the healthcare trust. The director of human resources shall serve as board chair. The members shall select a person to serve as board vice-chair and any other officers deemed necessary by the board.

(c) *Rules and regulations.* The board may create rules and regulations pertaining to the proper administration of the city's workers' compensation program by appropriate administrative regulations consistent with applicable laws and ordinances. Upon adoption, such regulations shall be filed in the office of the city clerk. Applicable provisions of any collective bargaining agreement shall be considered when adopting rules and regulations.

(d) *Reporting.* The board will report to the mayor and city council at least annually on the operation of the workers' compensation program, including but not limited to numbers and types of injuries and financial impacts including medical payments and settlement of claims. This report shall be a holistic review of the program, including, but not limited to, direct and indirect costs and savings, such as savings that may be experienced by safety and training programs, and other operational actions such as return to work programs. The city attorney, director of finance, and director of general services shall provide relevant information to the board for inclusion in its report.

(e) *Third-party administrator.* The board will recommend to the city council a third-party administrator for operation of the workers' compensation program. Final approval of the third-party administrator and the terms and conditions under which the third-party administrator works is the responsibility of the city council.

(f) *Staff.* The city manager will provide necessary staff to the board, including appropriate administrative personnel to assist the board with conducting its meetings and maintaining records of the board, procurement staff, financial services staff, and operational staff to perform day-to-day tasks to properly monitor the work of the third-party administrator. The city attorney or an assistant shall attend meetings and provide legal services to the board. Staff will remain part of their assigned departments, but the board may provide to the appropriate department director observations relating to the employee's annual performance evaluation.

(g) *Transition.* The board will assume its responsibilities on February 1, 2017. Until that time, the board is authorized to take the steps necessary to provide for an appropriate transition from the current system of supervision to that established by this division.

Section 2. Chapter 2, Code of Ordinances, Administration, is amended by repealing Section 2-1390, and enacting in lieu thereof a new section of like number and subject matter, to read as follows:

**Sec. 2-1390. Board of Trustees.**

(a) *Established; membership.* There is hereby established a board of trustees which shall manage and direct the affairs of the healthcare system. The board of trustees shall consist of at least 11 members appointed by the Mayor as follows:

- (1) The Director of Human Resources, who shall serve as the chair.
- (2) The City Manager or designee.
- (3) The Director of the Finance Department.
- (4) Two members of Local 500 of the American Federation of State, County and Municipal Employees, one of whom shall be an active employee and one of whom shall be a retiree designated by Local 500 for appointment.
- (5) Two members from each of the unions representing employees of the fire department. Local 42 of the International Association for Fire Fighters shall designate two members for appointment, one of whom shall be an active employee and one of whom shall be a retiree; Local 3808 of the International Association for Fire Fighters shall designate two members for appointment, one of whom shall be an active employee and one of whom shall be a retiree.

- (6) Two non-unionized City employees, one of whom shall be an active employee and one of whom shall be a retiree selected from a group of at least three active and a group of at least three retired employees recommended by the City Manager to the Mayor for appointment.

In the event that the Mayor determines that one or more of the members designated by the employee groups are unable or unfit to serve, then the affected employee group shall provide another name or names as provided for above.

The board of trustees shall elect from among its members a vice-chair.

In the event that other entities become part of this health care trust, the board may make recommendations to the City Council to amend the composition of the board of trustees to provide for comparable board representation from such joining entities.

(b) *Term.*

- (1) The Director of Human Resource, the City Manager and the Director of the Finance Department shall serve as ex-officio members.
- (2) All other members shall serve terms of four years, except one-half of the active employee members and one-half of the retired employee members shall serve an initial term of two years. Each successor member shall serve for a term of four years. Any member whose term of service has expired is permitted to continue the member's service until such time as a successor has been appointed to fill the vacancy. Notwithstanding the foregoing, any person who ceases to meet the eligibility criteria for the seat to which the member was appointed shall immediately forfeit membership status. Effective March 1, 2025, no member shall serve a total of more than ten years on the board of trustee, inclusive of time served prior to March 1, 2025.

(c) *Organization.* Each member shall be entitled to one vote. A super majority of sixty percent of the total appointed and serving membership shall constitute a quorum and a simple majority of the quorum shall be required for any decision.

(d) *Determination of Benefits.* The board of trustees shall make recommendations to the city council regarding city's healthcare system and the healthcare benefits to be included within any healthcare plan offered to City employees and retirees and consistent with any approved labor agreements.

(e) *Investments.*

- (1) The board of trustees shall be trustee of all funds created by this division and shall have full power to invest and reinvest them. Investments may include, but are not limited to, bonds of the United States government, State of Missouri, municipal corporations including school districts, corporate bonds, real estate mortgages, common and preferred stocks.
- (2) No trustee shall have any direct interest in the gains or profits of any investment made by the board of trustees.

(f) *Professional services.*

- (1) The board of trustees may engage investment, safekeeping, advisory, legal and other professional services as it deems necessary.
- (2) At least every five years an actuarial analysis of the healthcare system shall be conducted. Results shall be reported to the city council, together with recommendations to maintain the system on a sound actuarial basis.
- (g) *Regulations.* The following provisions shall apply to the operations of the board of trustees:
  - (1) A detailed agenda, including a list of discussion topics, items requiring a vote, and any other relevant business, shall be distributed to all trustees at least five (5) business days in advance of each meeting. Any supporting documents or reports pertinent to the agenda items, including but not limited to financial statements, proposals, and background materials, shall also be provided to trustees at least five (5) business days prior to the meeting; and
  - (2) In the event of a special meeting, trustees will receive a clear explanation of the meeting's purpose and any materials necessary for informed discussion, ensuring that trustees are given sufficient time to review the materials and come prepared; and
  - (3) Draft minutes from each board meeting shall be prepared and shared with all trustees for review within five (5) business days following the meeting; and
  - (4) Final approved minutes, including all key decisions and votes, shall be made available to the public and to relevant stakeholders within 5 days of the meeting at which they are approved by the board.
  - (5) The board will create opportunities for stakeholder feedback prior to meetings. This may include open forums, surveys, or written submissions to ensure that all voices are heard and considered; and
  - (6) The agenda will include a designated time for public comments or questions, as appropriate, during each meeting; and
  - (7) Any decisions made by the board, including approvals, resolutions, or actions, shall be clearly communicated to all relevant parties after the meeting; and.
  - (8) Where applicable, explanations for decisions will be provided to ensure understanding of the rationale behind the choices made.

The board of trustees shall have the exclusive right to prescribe other rules, regulations, forms, and procedures as are necessary to administer the healthcare system.

(h) *Day-to-day Administration.* The board of trustees shall appoint an administrator of the healthcare system. The administrator may be an active City employee. The administrator shall attend all meetings of the board of trustees, but shall not have a vote. The administrator shall conduct the operations of the healthcare system in accordance with this division and the rules and regulations, directives and resolutions of the board of trustees.

(i) *Records and reports.* The healthcare system administrator shall maintain records of all proceedings. The administrator shall annually publish a report approved by the board of trustees showing the financial transactions for the preceding year, and the financial condition of the healthcare system.

(j) *Compensation.* The trustees shall be reimbursed by the healthcare system for all necessary expenses incurred for service on the board.

(k) *Transition from current system.* The board of trustees shall confer with the City's Benefits and Insurance Committee as established by Ordinance No. 080822 in order to complete the transition to a self-funded healthcare plan by May 1, 2010, to insure consistent benefit level and plan options and shall have the power to procure any goods and services necessary to complete the transition, provided the availability of funds

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Approved as to form:

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Katherine Chandler  
Senior Associate City Attorney