

CITY OF DICKINSON

COMMISSION MEMORANDUM

TO: Board of City Commissioners

FROM: Shelly Nameniuk, Human Resources Director

SUBJECT: Proposed Changes to Sick Leave and Disability Benefits

DATE: 10/20/2026

Human Resources is presenting a coordinated set of proposed employee benefit changes intended to provide employer-paid short-term and long-term disability coverage, discontinue the Sick Leave Bank for employees' own illnesses and injuries, and retain a sick leave donation program for qualifying medical needs for family member.

The proposed changes would preserve employees' existing sick leave accruals and 25% termination payout. The City is also proposing to redirect the existing employer-funded medical Flexible Spending Account (FSA) benefit resource toward disability coverage.

Agenda Items

1. Resolution – Dissolution of the Sick Leave Bank

Authorize dissolution of the Sick Leave Bank and authorize the City Administrator and HR Director to distribute the remaining bank hours to current members who have not drawn hours from the bank, consistent with the proposed resolution.

2. Ordinance (Public Hearing) – Repealing the Sick Leave Bank

Remove the existing Sick Leave Bank provisions from Chapter 42 to reflect the discontinuation of the program for employees' own illnesses and injuries.

3. Ordinance (Public Hearing) – Repealing the Employer-Paid Medical Flexible Spending Account

Repeal the existing Chapter 42 provision for the employer-paid medical FSA as part of the proposed redirection of employer-funded benefit resources toward disability insurance.

4. Ordinance (Public Hearing) – Enacting Short-Term and Long-Term Disability Benefits

Establish Chapter 42 provisions recognizing employer-paid short-term and long-term disability benefits for regular full-time employees. Under the current Pacific Life proposal, STD provides 60% of base salary for up to 13 weeks, and LTD provides 60% of base salary for longer-term qualifying disabilities, subject to plan limits and provisions.

The current estimated combined annual premium is approximately **\$108,285**, or approximately \$449 per eligible employee based on 241 estimated eligible employees. Final costs and coverage are subject to the insurance contract and enrollment.

5. Ordinance (Public Hearing) – Adopting Sick Leave Donations for Family Medical Leave

Amend and re-enact Section 42-144 to establish a voluntary sick leave donation program for employees who need additional paid leave to care for an immediate family member with a qualifying serious health condition under FMLA. The proposed ordinance establishes eligibility requirements, donation limits, and Human Resources administration.

Requested Commission Action

Consider the resolution and ordinances in the order presented. These actions are intended to work together to establish the proposed disability benefits, remove the existing Sick Leave Bank and employer-paid FSA code provisions, and retain a defined family-care sick leave donation program.