MEMORANDUM

To: Mayor and Members of the City Council

From: Rich Olson, City Manager
Montique McClary, Human Resources Director
Jon Hawley, Grants Administrator

Date: July 10, 2020

Re: Consideration - Financial Wellness Program Grant

BACKGROUND:

The City of Elizabeth City Human Resources Department works in many ways to foster a safe, effective, and supportive workplace for all City employees. Human Resources helps ensure the City follows all workplace laws and regulations, facilitates training to prevent workplace injuries, and supports professional development. It also helps employees understand and manage their pay and benefits, and conducts wellness activities to encourage healthy living.

Human Resources has found an opportunity to build on these efforts by starting a Financial Wellness Program. This program would provide employees access to new education, tools and resources to help with money management, getting the best use out of their benefits, retirement planning, and more. To support this program, Human Resources is also proposing to establish a web platform to preserve content for employees' use at any time.

Human Resources has identified a potential funding source for the first year of this program, namely the State and Local Government Financial Wellness Grant Program. This opportunity is offered through a partnership of the Center for State and Local Government Excellence, the International Public Management Association for Human Resources, and the National Association of State Treasurers Foundation. This grant program offers grants of up to $25,000 for applicants with fewer than 500 employees; the City has approximately 320. This grant is due July 15.

ANALYSIS:

Human Resources' proposed Financial Wellness Program, to be called "Fund Your Future" (FYF), will provide comprehensive financial wellness resources while remaining convenient and accessible to our busy workforce. We also propose to allow retirees to participate. The program is proposed to start in October, and its primary components include:

- Hosting monthly webinars or in-person forums with various financial wellness experts to present on money management, planning for retirement, credit repair, preventing identity theft, and other financial wellness topics. We would leverage local partnerships, such as with banks and credit unions, to secure speakers at little or no cost. In-person forums will include lunches. (If COVID-19 still makes in-person gatherings inadvisable, we will convert the forums to webinars and offer restaurant gift cards as prizes to encourage attendance.)
- Establishing a new web platform to include: recordings of our forums/webinars, financial wellness tools and resources, comprehensive benefits information, and one-on-one access to financial advisors. The platform would be secure and require a login and password.
- Supporting and improving the City's annual Benefits Fair, held in the spring, to be a more engaging, well-attended event.
- Promotional efforts and small prizes, such as branded magnets, coasters and stress balls for participants, to raise awareness of the program and web platform.
- Sending out monthly "FYF" tips to employees and participating retirees via text message and email

Human Resources estimates the entire program will cost $22,000 in its first year. The grant, if awarded, would cover this cost, but the City would assume responsibility for funding the program in subsequent years. The largest recurring expense will be the annual service fee for the web platform, which will require vendor support to maintain and update. Based on a preliminary review of vendors – done in consultation with the City's Information Technology Department – Human Resources estimates this service fee will cost $12,000 a year. To minimize the impact of this expense, Human Resources would propose that other departments share in the cost proportionally to their number of employees. This is appropriate and the current practice with other Citywide payroll and benefits expenses managed by Human Resources.

Nevertheless, Human Resources recognizes the web platform is a significant expense. However, the platform will give every employee and retirees 24/7 access to robust financial wellness tools and resources, and will be essential to sustaining the program. We can also use it to conduct internal financial wellness surveys, to keep our programming responsive to employees' needs, and get vendor-generated reports on the level of employee usage. These reports will show if the platform is widely used, and therefore a good value. The reports do not require and will not contain any private employee information.

Staff requests the Council's support to submit this grant application and commit to a permanent Financial Wellness Program. We believe this program will empower employees to make the most of their pay and benefits, and overcome common financial stresses.

STAFF RECOMMENDATION:

By motion, authorize City staff to submit a Financial Wellness Grant application in the amount of $22,000, to cover the first-year costs of the "Fund Your Future" Program.

State and Local Government Financial Wellness Grants Program Application

Establishing the "Fund Your Future" Program

City of Elizabeth City, NC

SECTION 1: CONTACT INFORMATION

Authorized Representative:

Angela Judge, Assistant City Manager

306 E. Colonial Ave., Elizabeth City, NC

252-337-6864, ext. 278

ajudge@cityofec.com

Recipient/Responsible Organization:

City of Elizabeth City

Total Number of Employees: 320 (Also 80 retirees)

SECTION 2: NARRATIVE

(1) The City of Elizabeth City proposes to establish a permanent Financial Wellness Program, "Fund Your Future" (FYF), under the direction of our Human Resources Department. FYF will include:

- Pre- and post- program surveys, plus midyear focus group, to assess employees' and retirees' financial wellness, and guide programming
- Promotional efforts and materials to build positive brand awareness of the FYF Program and cultivate mindfulness about financial wellness
- In-person and virtual forums (all recorded) with appropriate experts on diverse financial wellness topics
- Creating a new, web-based platform for all FYF Program content
- Sending out monthly financial wellness tips via text message and email to inform and sustain program awareness

Proposed Timeline:

October 2020: Finalize FYF Branding; Introduce FYF Program; conduct Financial Wellness Assessments (surveys); Obtain final quotes for web platform; Share FYF Tip 1	November 2020: Review survey data; retain web consultant, initiate platform design; hold in-person "Smart Spending for the Holidays" workshop, with lunches; Share FYF Tip 2	December 2020 (activities limited due to holidays): HR begins compiling, reviewing content for FYF platform (including benefits-related resources); Share FYF Tip 3
January 2021: Finalize initial FYF web content, go live by Jan. 31; Host in-person "Budgeting Workshop" session, with lunches; Share FYF Tip 4	February 2021: Promote new FYF Program and platform, present to City Council; Host "Workplace Banking" webinar; post "Benefits FAQ" video Share FYF Tip 5	March 2021: Host "Beginner's Guide to Investing" webinar; conduct mid-year focus group; promote Benefits Fair; Share FYF Tip 6
April 2021: Host Benefits Fair, including experts, promotions, refreshments; Share FYF Tip 7	May 2021: Host credit-repair and retirement webinars (for younger workers); Share FYF Tip 8	June 2021: Host in-person retirement forum (for older workers/active retirees), with lunches; Host identity theft webinar; Share FYF Tip 9
July 2021: Host health insurance webinar; HR updates platform to reflect any benefits changes; Share FYF Tip 10	August 2021: Host in-person forum on professional development, with lunches; conduct post-surveys; Share FYF Tip 11	September 2021: Review post-surveys, report findings and recommendations; plan for FYF 2021-22 Program; Share FYF Tip 12

(**NOTE:** The City acknowledges that COVID-19 may make it impossible or inadvisable to hold in-person forums as proposed. The City is prepared to adapt this schedule. In-person forums could be converted to webinars – possibly with meal gift cards for attendees – or webinars later in 2021 could be converted to in-person events, if social distancing requirements are relaxed then.)

(2) The FYF Program's purpose is to empower our workforce community to continuously enhance personal financial wellness. A high level of voluntary, lasting participation is vital. Therefore, the City's approach is that FYF must be friendly, accessible, and sustained.

As trusted colleagues with relevant expertise, our HR staff are ideal program drivers. They will keep our workforce community engaged, including through frequent but "light-touch" activities; respond to participants' feedback; and recruit diverse financial experts for informative but relaxed discussions.

FYF will be highly accessible and convenient for its busy participants. All FYF content will be preserved and accessible any time via our web platform. This will include recordings of all forums, plus other informative resources and tools; it will also compile current benefits information. Its content and value will only grow in future years. Beyond the platform, FYF is also accessible by offering both virtual and in-person sessions, with in-person sessions following a successful "lunch-and-learn" format. The City will also strive to meet any accommodation a participant may ask due to disability.

FYF will be highly sustainable. Its primary recurring expense will be for the FYF platform; the City will assume this expense in subsequent years, as well as minor recurring expenses for promotional materials and meals. FYF is operationally sustainable as well. The FYF platform vendor will assist our HR staff in uploading and updating content, as well as with technical support. HR staff will also continue recruiting outside speakers for our forums. These factors ensure current HR staff can easily manage the program.

(3) The proposed FYF Program will be open and promoted to our entire workforce community, including 320 employees, more than 80 retirees, and their families. Our workforce community is also diverse in age, race, professional training, lifestyles and personal goals; FYF's wide-ranging, accessible programming ensures inclusivity.

Our HR staff work diligently to assist our workforce community with their pay and benefits, but the City lacks a true financial wellness program. In harmony with the National Financial Educators Council's definition of financial literacy, and the Consumer Financial Protection Bureau's definition of financial well-being, the City considers financial wellness to encompass: proactive management of spending for quality, sustainable living; the ability and action to save for emergencies and a better future; and diligent preparation for later life. Understood this way, financial wellness is not a "one and done" accomplishment – it takes continuous education and effort.

The City also needs the FYF Program because much of our workforce community may experience financial stress. The City provides regular cost-of-living raises to our employees, but we remain an impoverished community with limited means. Many of our newer or lower-level employees cannot easily afford market-value housing. Additionally, the City often shops for the best value in health insurance, but our child and family coverages remain unaffordable. These local realities occur against a national backdrop of Americans increasingly struggling with high costs of living, debt, and inadequate savings.

The FYF Program is a reasonable, right, and cost-effective response to these challenges. The City acknowledges the proposed web platform will be a significant expense, but it is essential to FYF's growth and sustainability. Our small Information Technology Department lacks the capacity to create it, however, so a third-party solution is necessary to offer the robust, intuitive, and secure experience our workforce community deserves.

(4) The FYF Program offers a highly replicable template. FYF will present comprehensive financial wellness in simple, convenient, and fun ways, fostering a high level of participation. We will employ existing, customizable web solutions for our platform. We will leverage partnerships common to local governments, such as with credit unions and benefits advisors, for our expert speakers. Finally, our activities are simply structured and external partners are responsible for most content delivery. It is easily implemented and scalable to organizational size.

(5) Our key outcomes and key performance indicators will be:

Goal: Pre- and post-Financial Wellness Assessments	Goal: Widespread, sustained participation in forums	Goal: Establish interactive, content-rich web platform	Goal: Achieve widespread usage of web platform	Goal: Respecting privacy, collect platform usage metrics
Target: 75-percent response rate from workforce	Target: 75 percent of workforce attends at least three forums	Target: Complete, deploy no later than Jan. 31, 2021	Target: 50 percent of workforce sign up by March 1; 75 percent by April 1	Target: To be defined; examples may be average use time, most-used features

SECTION 3: BUDGET AND BUDGET NARRATIVE

FYF Line Item Budget (All Numbers "Not to Exceed") Workforce Community Served: 320 employees, 80 retirees	
Web Platform Mobilization Justification: Set up service, compile and customize content, on-board users	$5,000
Web Platform Annual Service Justification: Maintain content (including user tools and advisor chat feature), tech support	$12,000
Speaker Fees Justification: Free speakers used when possible, minor allowance for travel or meals	$600
Meals, "lunch and learn" forums (four forums, 50 attendees each, $8 per meal) Justification: Lunch breaks offer best window for participation, meals proven to improve attendance, engagement	$1,600
Food and refreshments, Benefits Fair (open to all employees, plus vendors) Justification: Meals, drinks needed for all-day event; allows employees to attend during lunch breaks; creates festive, inviting atmosphere	$800
Promotional Printings, Small Prizes (workplace posters, FYF-branded folders and pamphlets, small prizes such as coasters, magnets, stress balls) Justification: Ensure program is professionally, attractively presented; build and sustain positive awareness of FYF program and financial wellness	$2,000
TOTAL	$22,000

July 14, 2020

City Manager's Office

Gardner Municipal Building

306 E. Colonial Ave.

Elizabeth City, NC 279009

Dear Financial Wellness Grant Reviewers,

On behalf of the City of Elizabeth City, I approve and authorize the submission of this grant. If we receive this grant, this office will fully support the "Fund Your Future" Financial Wellness Program proposed for our employees and retirees in this application.

Sincerely,

Richard C. Olson

City Manager