



REQUEST FOR ACTION CITY COUNCIL

Agenda Date: 10/20/2026
Agenda Section: Consent Agenda

Department Origination: Finance

Agenda Item: Authorize Contract Execution for Employee Dental Insurance Renewal with Delta Dental

Approval Required: Simple Majority Vote

BACKGROUND

Working with an insurance representative at A.T. Group to compare the various dental plans, the city has provided employer-paid dental insurance for employees since 2006. Currently the city utilizes the Pathfinder 6 Plan with Delta Dental for insurance coverage. The plan has a \$1,500 annual maximum per insured with a \$100 lifetime deductible per insured and has 100% community pooled rates. With community pooled rates, premiums are based statewide rather than the individual experience of our small group. Absent the pool, a pool as a small group would subject the city to wide-ranging premium adjustments each year based upon the city's individual experience.

FINANCIAL IMPLICATIONS

For the 2027 renewal, a 1.1% increase in the premiums for the coverage has been declared. Annual increases have been minimal historically with many years without an increase. The city's average annual increase for the past ten years is 5.1% for single coverage and 6.1% for family coverage.

The city is responsible for the premium related to employee portion of coverage with employees electing additional dependent coverage responsible for the difference. The table below illustrates the current rates and the renewal rates under the Delta Dental group plan for the city.

Monthly Dental Premium Rates for January 2026 Renewal

	<u>Current Rates</u>	<u>Renewal Rates</u>	<u>Change</u>
Employee	\$45.18	\$45.68	\$0.50 1.1%
Employee & Spouse	\$86.82	\$87.78	\$0.96 1.1%
Employee & Child(ren)	\$103.37	\$104.51	\$1.14 1.1%
Family	\$161.31	\$163.08	\$1.77 1.1%

Based upon the current employee census and budgeted positions for 2027, the total 2027 city expenditure for dental insurance is approximately \$27,108. A healthcare inflationary increase was included in the initial 2027 proposed budget for the city's cost. With the lower than budgeted increase, the aggregate reduction in the preliminary budget across the budgeted various funds is \$2,600.

STAFF RECOMMENDATIONS

Renewal of the dental insurance contract with Delta Dental for 2027 is recommended.

COUNCIL ACTION REQUESTED

Motion to authorize staff to enter into a contract for renewal of the city's employee dental insurance with Delta Dental effective with the January 2027 renewal.