

Mayor
Alice Ruby

Acting Manager
Jack Savo Jr.



Dillingham City Council
Tristan Chaney
Jean Barrett
Steven Carriere
Curt Armstrong
Kaleb Westfall
Kevin McCamby

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Anita Foran, Finance Department
Through: Jack Savo Jr, Acting City Manager
Date: 11/06/2025
Re: Resolution 2025-47 Employee Medical Insurance Renewal

SUMMARY: The City of Dillingham provides to all regular employees who work a minimum of 20 hours a week the benefit of Health insurance that includes medical and dental coverage. As part of the benefit, employees are provided with a Health Reimbursement Plan (HRA) that reimburses up to \$2,000 of the deductible an employee pays. Regular full-time and part-time (of at least 20 hours) employees are also provided with life insurance of 1.5 times the salary, while employed with the city.

PREVIOUS COUNCIL ACTION: City of Dillingham has been providing a health insurance plan and life insurance plan for all full-time regular employees for many years as part of their benefit package. This plan is available to regular part-time employees who work at least 20 hours per week at a pro-rated amount.

BACKGROUND: Prior to 2015 the city provided this benefit with no cost to the employee (including dependent coverage). Regular part-time employees, of 20 or more hours, are able to elect coverage at a pro-rated amount. Starting 01/01/2015, the regular full-time employees were required to pay 10% of the dependent elected premiums. The employee only portion of the coverage continues to be paid for in full by the City of Dillingham.

In 2013, the city chose to increase the deductible from \$750 to \$2,000. This reduced the premium substantially. At the same time, an HRA plan was elected to assist the employee with paying the last \$1,000 of that deductible. Over time, the deductible has risen to \$3,000 per employee (and up to \$6,000 per family). The HRA is now available for the last \$2,000 of the deductible.

Due to the high cost of coverage incurred by current and former employees in 2023 the city experienced an increase of 37.17% in calendar year 2024. This has locked the city into working with Premera. All other alternative insurance plans would only provide offers of a much higher increase. It is projected that in 2027, the city will be able to acquire rates from other insurance companies.

DISCUSSION: Knowing that we have one more year of not being able to search for another insurance company for another year, we can request a no bid, early bird advantage offer from Premera. Premera is willing to drop their renewal offer of 10.68% to an offer of 4.84% (5% medical and 0% dental). This keeps the insurance plan the same as 2025, which makes an easier transition for all employees. In the budgeting process, it was known that the industry standard for insurance increase was ranging from 15-30% for large companies. The FY26 budget was based on a 15% medical increase and 5% dental

increase effective 01/01/2026. If the No Bid with Early Bird Advantage plan is selected, an overall decrease of \$76,000-\$90,000 (range based on employee election of dependents) can easily be recognized to the budget.

ALTERNATIVES: Premera is offering an alternative plan by increasing the deductible to \$4,000 individual and \$8,000 family. This will drop Premera's renewal offer of 10.68% to an offer of 3.24% (3.35% medical and 0% dental). This will decrease the budget impact by approximately an additional \$10,000. Employees will have a lower premium but will have to pay an additional \$1,000 towards the deductible if medical needs reach that amount.

An additional alternative for the council to consider is to increase the amount an employee pays towards the deductible. Currently an employee pays 10% of the additional deductible. The council can elect to increase the deductible by an additional 5-10% to further decrease the impact on the city of Dillingham budget.

FINANCIAL IMPLICATIONS: Attached is a fiscal note if the council decides to accept the No Bid Early Bird Advantage plan. Costs will impact FY2026 and FY2027.

LEGAL: No legal opinion was needed in consideration of this resolution.

STAFF RECOMMENDATION: It is the staff's recommendation to accept the NO Bid Early Bird Advantage plan.

PROPOSED MOTION:

I move to adopt Resolution 2025-47 Employee Health Insurance Renewal No Bid with Early Bird Advantage plan with Premera.

ATTACHMENTS: Attachment included Acrisure Medical & Dental Plan Analysis and Fiscal Note.

City of Dillingham
Fiscal Note

Agenda Date: November 6, 2025

Renew health insurance with Premera BCBS for the 2026 Calendar year

ORIGINATOR: Finance Director

FISCAL ACTION (TO BE COMPLETED BY FINANCE)		FISCAL IMPACT	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
AMOUNT REQUESTED:		FUNDING SOURCE		
		City of Dillingham		
FROM ACCOUNT		Project		
xxxx 6210 xx xx	Health Insurance			
xxxx 6215 xx xx	Dental Insurance			
xxxx 6560 xx xx	Health Reimb Premium			
xxxx 6220 xx xx	Life Insurance			
xxxx 6211 xx xx	Health Reimb payout			
TO ACCOUNT:	VERIFIED BY:	Anita Fuller	Date:	10/29/2025

EXPENDITURES

OPERATING	FY26	FY27	FY28	FY29
Health 5% Inc. from CY2025	\$ 583,562.88	\$ 583,562.88		
Dental 0% Inc. from CY2025	18,727.74	18,727.74		
HRA 0.00 Inc from CY2025	2,490.00	2,490.00		
Life 0% Inc from CY2025	\$11,850.00	\$11,850.00		
HRA payout estimate	13,000.00	13,000.00		
TOTAL OPERATING	\$ 629,630.62	\$ 629,630.62	\$ -	\$ -

CAPITAL	\$ -			
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REVENUE	-			
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FUNDING

General & Special Rev. Funds	\$ 629,630.62	\$ 629,630.62		
State/Federal Funds				
Capital Project				
Other				
TOTAL FUNDING	\$ 629,630.62	\$ 629,630.62	\$ -	\$ -

POSITIONS

Full-Time				
Part-Time				

Analysis: (Attach a separate page if necessary)

See Resolution 2025-47

CY25 Increase was 3% Health, 3% Dental, 0% Life. CY24 Increase was 37%, Dental 4%.

Industry Standard is 15-30%

FY26 Budget was for an 15% Health insurance increase, 5% Dental Increase and 5% Life Increase

PREPARED BY: Anita Foran October 29, 2025

DEPARTMENT: Finance

APPROVED BY: _____

City of Dillingham
Medical & Dental Plan Analysis

Effective January 1, 2026

Prepared by: Diana Stewart



	Current / Renewal / No Bid with Early Bird Advantage				Alternative 1	
	Premera Preferred Choice Plus \$3,000/20%/\$6,000/\$30/\$65				Premera Preferred Choice Plus \$4,000/20%/\$6,000/\$30/\$65	
Benefits	In-Network				In-Network	
Network Type	Preferred Hospital & Preferred Doctor				Preferred Hospital & Preferred Doctor	
Deductible						
Individual	\$3,000				\$4,000	
Family	\$6,000				\$8,000	
Coinsurance	20%				20%	
Out-of-Pocket Maximum (Includes Deductible)						
Individual	\$6,000				\$6,000	
Family	\$12,000				\$12,000	
Benefits	In-Network				In-Network	
Professional Services						
PCP & Specialist Office Visit	\$30 / \$65				\$30 / \$65	
Laboratory & X-Ray (non-complex)	Deductible & Coinsurance				Deductible & Coinsurance	
Therapy	\$65 Copay - 45 visits				\$65 Copay - 45 visits	
Emergency Services						
Emergency Care - Copay waived if admitted	\$100 Copay, then Deductible & Coinsurance				\$100 Copay, then Deductible & Coinsurance	
Alternative Care						
Spinal Manipulations & Acupuncture	\$30 - 12 visits each				\$30 - 12 visits each	
Prescription Drugs	E4 Essentials				E4 Essentials	
Preferred Generic	\$10				\$10	
Preferred Brand	\$25				\$25	
Preferred Specialty	\$55 (not available for mail order)				\$55 (not available for mail order)	
Non-Preferred All Drugs	30%				30%	
Mail-Order	90 days supply, 2.5x retail cost				90 days supply, 2.5x retail cost	
Dental Benefits	Dental Optima \$1,500				Delta Optima \$1500	
Deductible	\$50 Individual / \$150 Family				\$50 Indiv / \$150 Family	
Preventative	Covered in Full				Covered in Full	
Basic	20%				20%	
Major	50%				50%	
Annual Maximum	\$1,500				\$1500	
Dental Rates	Counts	Current	Renewal	No Bid	Early Bird Advantage	
Employee Only	26	\$49.35	49.84	\$49.35	\$49.35	
Employee + Spouse	3	\$106.10	107.15	\$106.10	\$106.10	
Employee + Child(ren)	5	\$108.57	109.65	\$108.57	\$108.57	
Family	6	\$162.84	164.46	\$162.84	\$162.84	
Monthly Dental Premium		\$3,121.29	\$3,152.30	\$3,121.29	\$3,121.29	
Annual Dental Premium		\$37,455.48	\$37,827.60	\$37,455.48	\$37,455.48	
Percentage Change From Current Dental			0.99%	0.00%	0.00%	
Annual Dollar Change From Current Dental			\$372.12	\$0.00	\$0.00	
Medical Rates	Counts	Current	Renewal	No Bid with Early Bird Advantage		Alternative 1
Employee Only	26	\$1,498.84	\$1,663.78	\$1,573.81		\$1,549.04
Employee + Spouse	3	\$3,087.67	\$3,427.45	\$3,242.12		\$3,191.08
Employee + Child(ren)	5	\$2,772.90	\$3,078.02	\$2,911.60		\$2,865.77
Family	7	\$4,361.68	\$4,841.66	\$4,579.58		\$4,507.49
Monthly Medical Premium		\$92,629.11	\$102,822.35	\$97,260.48		\$95,729.56
Annual Medical Premium		\$1,111,549.32	\$1,233,868.20	\$1,167,125.76		\$1,148,754.72
Percentage Change From Current Medical			11.00%	5.00%		3.35%
Annual Dollar Change From Current Medical			\$122,318.88	\$55,576.44		\$37,205.40
Total Monthly Premium		\$95,750.40	\$105,974.65	\$100,381.77		\$98,850.85
Total Annual Premium		\$1,149,004.80	\$1,271,695.80	\$1,204,581.24		\$1,186,210.20
Percentage Change From Current			10.68%	4.84%		3.24%
Annual Dollar Change From Current			\$122,691.00	\$55,576.44		\$37,205.40

*This comparison shows only general provisions of each plan's in-network benefits. Contract certificates should be consulted for exact plan language.

City of Dillingham

Insurance Premium Rate and Payment Schedule

**Rates subject to change without notice*

Employee covers dependent costs at 10%

Insurance

Premera BCBS (Medical and Vision)

Coverage Effective Date*:

January 1, 2026

Coverage	Total Premium	Dependent Cost	Full Time 40+ hours	Employer Portion	Employee Cost	Payroll Reduction
Employee Only	1,573.81	-		1,573.81	-	-
Employee & Children	2,911.60	1,337.79		2,777.82	133.78	66.890
Employee & Spouse	3,242.12	1,668.31		3,075.29	166.83	83.415
Employee & Family	4,579.58	3,005.77		4,279.00	300.58	150.290
Coverage			Part Time 20-29 hours	Employer Portion	Employee Cost	Payroll Reduction
Employee Only				786.91	786.90	393.450
Employee & Children				1,388.91	1,522.69	761.345
Employee & Spouse				1,537.65	1,704.47	852.235
Employee & Family				2,139.50	2,440.08	1,220.040
Coverage			Part Time 30-39 hours	Employer Portion	Employee Cost	Payroll Reduction
Employee Only				1,180.36	393.45	196.725
Employee & Children				2,083.37	828.23	414.115
Employee & Spouse				2,306.47	935.65	467.825
Employee & Family				3,209.25	1,370.33	685.165

Guardian Dental Insurance Premium Rate and Payment Schedule

Insurance

Guardian (Dental)

Coverage Effective Date*:

January 1, 2026

Coverage	Total Premium	Dependent Cost	Full Time 40+ hours	Employer Portion	Employee Cost	Payroll Reduction
Employee Only	49.35	-		49.35	0	0
Employee & Children	108.57	59.22		102.65	5.92	2.96
Employee & Spouse	106.10	56.75		100.42	5.68	2.84
Employee & Family	162.84	113.49		151.49	11.35	5.675
Coverage			Part Time 20-29 hours	Employer Portion	Employee Cost	Payroll Reduction
Employee Only				24.68	24.67	12.335
Employee & Children				51.33	57.24	28.620
Employee & Spouse				50.21	55.89	27.945
Employee & Family				75.75	87.09	43.545
Coverage			Part Time 30-39 hours	Employer Portion	Employee Cost	Payroll Reduction
Employee Only				37.01	12.34	6.170
Employee & Children				76.99	31.58	15.790
Employee & Spouse				75.32	30.78	15.390
Employee & Family				113.62	49.22	24.610