

EXECUTIVE BRIEF REGULAR MEETING

AGENDA DATE: July 7, 2020

DEPARTMENT: Human Resources

TITLE:

Standard Insurance Policies for FY 2020/21 Employee Health and Welfare Benefits

SUMMARY:

The Policies authorize the following:

1. CIGNA to provide Health, Dental, Life and AD&D Insurance
2. EyeMed to provide Vision Insurance
3. CIGNA to provide EAP Services
4. Benefits Workshop to provide COBRA Administrative Services
5. CIGNA to provide voluntary supplemental Insurance

BACKGROUND AND JUSTIFICATION:

Our Benefits Broker of Record, The Gehring Group, conducts the bidding of the City's standard insurance policies. Based on its bidding process for FY 2019/20, the Gehring Group negotiated a 6.5% increase in premium for the continuation of our current medical benefits programs, 3.8% for our Dental PPO Benefit program and a 0% increase for our Dental DHMO benefit program with CIGNA. After several years reflecting a high claims experience and risk of exposing the City to potentially much higher premium increases, continuation of the current programs with CIGNA for the coming fiscal year is the most prudent course of action for the City.

MOTION:

Move to approve/disapprove the insurance policies:

1. CIGNA to provide Health, Dental, Life and AD&D Insurance
2. EyeMed to provide Vision Insurance
3. CIGNA to provide EAP Services
4. Benefits Workshop to provide COBRA Administrative Services
5. CIGNA to provide voluntary supplemental Insurance

ATTACHMENT(S):

Fiscal Impact Analysis
Employee Benefits Executive Cost Summary
Medical Dental Renewal Evaluation

FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2020	2021	2022	2023	2024
Capital Expenditures	0	0	0	0	0
Operating Expenditures	0	\$3,940,907	0	0	0
External Revenues	0	0	0	0	0
Program Income	0	0	0	0	0
In-kind Match	0	0	0	0	0
Net Fiscal Impact	0	0	0	0	0
No. of Addn'l Full-Time Employee Positions	0	0	0	0	0

B. Recommended Sources of Funds/Summary of Fiscal Impact:

Account Number	Account Description	Project Number	FY21 Budget	Current Balance	Agenda Expenditure	Balance
540-1320-513.23-30	Employee Benefits/Health Insurance		\$3,812,511			
540-1320-513.23-70	Employee Benefits/Vision Insurance		\$22,230			
540-1320-513.34-50	Employee Benefits/Contractual Services		\$580			
540-1320-513.23-90	Employee Benefits/Supplemental Insurance		\$27,292			
540-1320-513.23-60	Employee Benefits/DMO		\$75,414			
540-1320-513.23-50	Employee Benefits/Other		\$2,880			
	Total Benefits		\$3,940,907			

C. Department Fiscal Review:_____