



AGENDA REPORT

City Council Meeting

TODAY'S DATE: October 09, 2024

MEETING DATE: October 16, 2024

TO: City Council

FROM: Cheryl Hughes, Central Services Director

SUBJECT: Approve 2025 Employee Benefits Contracts and Insurance Policies and
Authorize Release of Medical Premium Stabilization Reserve Funds

DESCRIPTION/BACKGROUND:

The upcoming January 01, 2025 annual benefit renewals for Regence Blue Shield (Regence) and Delta Dental have been received. The City had entered into multi-year agreements with locked in rates for VSP for vision and USABLE for life insurance in 2024, therefore there are no renewal agreements necessary for those benefits for 2025. Renewals for Regence and Delta Dental are necessary for 2025. Delta Dental premiums for the City and employee are remaining unchanged in 2025. Regence premiums are being increased for both the City and employee. Based on utilization for the rating period of July 01, 2023 – June 30, 2024, the premium rate adjustment (increase) needed was 41.79%. Regence submitted a renewal offer of a premium rate adjustment of 32.5%. After further negotiating with Regence in partnership with Taylor Insurance, Regence agreed to a renewal premium rate adjustment of 24.81%, based on the years of experience with the City. As part of planning for future annual renewal premium increases such as this, the City Council approved the establishment of a Medical Premium Stabilization Reserve fund. The Medical Premium Stabilization Reserve funds currently have \$74,861, of which, the City is asking City Council to release these reserves to help offset the premium rate increase of 24.81%. With utilizing these reserves, the net premium increase is 18.125%. Additionally, the City has removed the Employee Assistance Program (EAP) from Regence and will be entering into an agreement with BPA Health to provide the EAP services. The cost is the same as it would have been with Regence and BPA Health will provide an expanded network for employees to choose from. This will be an enhanced benefit to the City's EAP at no cost to the employee.

STAFF RECOMMENDATION:

1. Staff recommends a Motion to approve 2025 employee benefits contracts and insurance policies; and
2. A Motion to approve the Resolution Utilizing the Medical Premium Stabilization Reserve fund.

ACTION:

1. Motion to approve 2025 employee benefits contracts and insurance policies; and
2. Motion to approve the Resolution Utilizing the Medical Premium Stabilization Reserve funds.

WILL THERE BE ANY FINANCIAL IMPACT? Yes HAS THIS ITEM BEEN BUDGETED? No. The City budgeted 10%, of which this increase exceeds.

ATTACHMENTS:

Proposed Resolution

2025 Regence Blue Shield Employee Benefit Booklet

2025 Regence Blue Shield Agreement

2025 Delta Dental Renewal Letter

2025 Employee Benefits Summary (Draft)