



Date: Tuesday, November 14, 2023

Honorable Mayor and Council Members

Author and title: Nicole Casey, Administrative Services Director

Title: **Contract with Benefit Provider**

Jen Callaway, Town Manager

Recommended Action: That Council authorizes the Town Manager to sign a contract with Kansas City Life and HealthComp via California Intergovernmental Risk Authority (CIRA) for employee benefits.

Discussion:

As part of the negotiations process, the Mid-Management (MM) and Truckee General Employees Membership Association (TGEMA) bargaining units requested that the Town bring them options for short-term disability insurance. When staff requested information on short-term disability options, the Town's insurance brokers provided quotes for all the Town's supplemental benefits in addition to short-term disability.

Bids were received from both the Town's current insurance broker Clark & Associates and a new broker, through the Town's general insurance company, CIRA.

Staff had more than five information sessions with employee groups to discuss the options available and what benefits would look like under each option. Staff also met with the employee group representatives and put out a short survey regarding short-term disability insurance.

Ultimately, the insurance decisions were based on cost-effectiveness compared to benefit provided and employee feedback. Staff are implementing the following options for employee insurance:

- Short-term disability – Move from SunLife to Kansas City Life.
 - This is an employee-funded benefit.
- Long-term disability – This is a new benefit that will be provided to Kansas City Life. This is an employee funded benefit.
- Group life – Move from SunLife to Kansas City Life. This is a Town-funded benefit.
- Voluntary life -Move from SunLife to Kansas City Life. This is an employee funded benefit.
- Vision – Move from SunLife to CIRA HealthComp. This is funded by both the employee and the Town.

In accordance with the purchasing policy, Council must approve any contracts without a not-to-exceed amount. Staff recommend that Council authorize the Town Manager to sign a contract with Kansas City Life for the provision of employee short-term disability, long-term disability, group life, and voluntary life. Staff also recommend that Council authorize the Town Manager to sign a contract with HealthComp via CIRA for the provision of employee vision insurance.

Priority:

<input type="checkbox"/> Enhanced Communication	<input type="checkbox"/> Climate and Greenhouse Gas Reduction	<input type="checkbox"/> Housing
<input type="checkbox"/> Infrastructure Investment	<input type="checkbox"/> Emergency and Wildfire Preparedness	<input checked="" type="checkbox"/> Core Service

Fiscal Impact: The changes to the Town's employee insurance options will lead to savings for the Town.

Insurance	Rate Change	Annual Savings to the Town
Dental Insurance	-8%	~\$11,360
Group Life	-40%	~\$6,400
Long-Term Disability	+6.1%	Employee Funded
Voluntary Life		
Vision Insurance	-8%	~\$1,300

Short-term disability insurance is a new benefit and will be fully employee funded. There is no fiscal impact to the Town as a result of adding short-term disability.

Public Communication: Staff hosted more than five informational presentations with employees, including several sessions after work and a session with public works at their normal 6:00 am briefing. Staff also held two meetings with the employee group representatives and put out a short survey for TGEMA and MM representatives regarding their preferences on short-term disability insurance.