



Date: January 28, 2025

Honorable Mayor and Council Members:

Author and title: Bonnie Thompson-Hardin, Human Resources Manager

Title: **Codifying Town Benefits Provided to Council Members**

Jen Callaway, Town Manager

---

**Recommended Action:** That Council Adopt Revised Resolution 2025-08 Extending Medical, Dental, and Vision Insurance and other Auxiliary Benefits and Providing Town Contributions for the Premiums to Active Members of the Town Council Effective March 1, 2025, and that Council approve a budget amendment to the 24/25 FY operating budget for a maximum amount of \$40,997.25.

**Discussion:** At the January 14, 2025, meeting the Town Council voted to provide access to the following benefits to the Town's elected officials effective March 1, 2025:

- Health insurance
- Dental insurance
- Vision insurance
- Voluntary Life Insurance
- 457 Deferred Compensation Plan Account
- Flexible Spending Accounts for Health or Dependent Care
- Supplemental Benefit Plans through AFLAC

Staff had provided a resolution 2025-08 at the January 14 meeting, which only including health, dental, and vision insurance. Since Council elected to extend additional auxiliary benefits at the meeting, Council directed staff to bring back a revised resolution that include the additional benefits.

Council also approved Town contributions for health, dental, and vision insurance for Council members in an amount equivalent to the Mid-Management Employees Group subject to any increases in coverage rates for subsequent years as permitted by State law. Staff recommends that Council approve a budget amendment to the fiscal year 24/25 operating budget for the costs of the Town contributions.

**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 Town has budgeted \$30,000 for benefits for Council Members in the Fiscal Year 24/25 operating budget. It is the Town's practice (and a best practice) to budget for the maximum financial exposure. The Town's contributions for health, dental, and vision premiums for all five Council Members electing the 3+ party plans for the rest of the fiscal year would be \$70,997.25, which is the maximum financial exposure.

Staff recommends that council adopt a budget amendment in the amount of \$40,997.25, which is \$70,997.25 less the \$30,000 that has currently been budgeted for this purpose. The Town collects premiums for insurance the month before the coverage is effective. Thus, while these benefits would provide four months of coverage (March-June), payroll staff would need to collect both the Town and Council Member contributions starting in February, hence five months of collections this fiscal year.

The annual cost for health, dental, and vision benefits for 2025 would be \$170,393.40 (Health: \$159,733.80, Dental: \$9,567.60, and Vision: \$1,092). This yearly amount, along with a budgeted 10% increase year-to-year will need to be included in ongoing operating budgets.

**Public Communication:** Council discussed extending health insurance to Council Members at meetings on October 27, 2020, and November 9, 2021, but did not extend benefits at either meeting. Council recently held a workshop on December 12, 2024, to learn more about the options to expand health care access to Council Members. At the January 24, 2025, meeting, Council decided to extend benefits to elected officials and this resolution and budget amendment codify the actions taken at the meeting.

**Attachments:**

Attachment 1: Resolution 2025-08