



COUNCIL AGENDA ITEM COVER SHEET

Meeting Type: Council - Regular

Meeting Date: November 21, 2024

Agenda Item Type: New Business

Staff Contact: Brandon Perkins, Town Manager

STAFF REPORT

AGENDA ITEM:

Approval of the Town's Employee Health Insurance coverage and rates for 2025.

BACKGROUND:

The Town provides its employees with medical insurance as part of its benefits package. This is a significant, but necessary expense as good insurance is an important retention and recruiting tool. The Town generally anticipates a 15% increase in its cost to provide this benefit each year and covers a significant portion of the benefit for its employees and their dependents.

For FY2025, we budgeted \$871,813.62 for employee health insurance, which includes the anticipated 15% increase. When we received the initial quote from our provider, the actual increase was 19%. I asked our broker to revisit that quote with Anthem and they came back to us with a new quote that only increased by 9% and included the same plan.

Given the budgeted amount and the lower quote, I asked Finance to review the numbers and ascertain whether or not we could avoid passing the cost of the increase on to our employees this year. Based on that analysis, the cost to cover the increase while leaving the employee contribution at the 2024 numbers would be \$822,336.48, which is within the \$871,813.62 budget.

FUNDING:

~\$822,336.48 from the general fund personnel budget.

STAFF RECOMMENDATION:

Staff recommends approval of the new health insurance premium of \$822,336.48, which keeps employee contributions at their 2024 rate.

ATTACHMENTS:

Plan analysis.

PREVIOUS DISCUSSIONS:

None.