F16

City of Hiawatha
101 Emmons Street
Hiawatha, Iowa 52233

City Clerk's Office
319-393-1515

Memo

To: Mayor and City Council

From: Kelly Kornegor, City Clerk

Date: May 18, 2016

Re: Employee Benefits Renewal – Vision Insurance and Life Insurance, Accidental Death and Disability Benefits for FY 2016-2018

Each year we revisit our employee benefit plan to ensure quality insurance and affordable coverage for our eligible employees. This year, Wellmark Blue Cross/Blue Shield extended the opportunity to keep our current employee health insurance plan through December 31, 2017; this plan went into effect on July 1, 2013. Employee dental and flex spending plans are not up for renewal until December 31, 2016, as both of these carriers provided a two-year agreement beginning July 1, 2014. We have been lucky to keep receiving an extension on our current plans or receiving a multi-year agreement to lock in our rates for a longer period of time. As you know, things are very uncertain in the insurance industry especially health insurance, and the situation is becoming more uncertain with the upcoming presidential election.

At this time we are asking for council approval of our employee vision insurance and life and disability insurance.

Employee Vision Insurance

The City currently offers employees the option to participate in vision insurance at their own expense through payroll deductions that are paid toward the premiums. Staff is requesting to stay with our current provider of Avesis with renewal rates shown in the table below:

Rate Type	Current Monthly Premiums	Renewal Monthly Premiums	Renewal Monthly Premium Change
Single	$10.40	$11.13	$0.73
Employee/Spouse	$19.92	$21.31	$1.39
Employee/Children	$21.72	$23.24	$1.52
Family	$27.94	$29.90	$1.96

Note: The Avesis Vision renewal rates will remain in effect with no increases from July 1, 2016 through June 30, 2018.

Employee Life Insurance and Accidental Death and Disability Benefits

The City currently sponsors a life insurance policy for each eligible employee along with providing accidental death, short term disability, and long term disability benefits. The City also offers employees the option to participate in a voluntary life insurance policy at their own expense through payroll deductions paid toward the premiums. Staff is requesting to stay with our current provider of Lincoln Financial Group. There is no change in premium for the employee voluntary employee life insurance plan. The City sponsored

employee life insurance, accidental death and dismemberment, short term disability, and long term disability plan does have a slight increase in renewal rates as shown in the table below:

Coverage	Current Monthly Premiums	Renewal Monthly Premiums	Renewal Monthly Premium Change
Life	$102.17	$111.90	$9.73
AD&D	$17.03	$17.03	$0.00
Short Term Disability	$348.48	$381.60	$33.12
Long Term Disability	$483.54	$531.90	$48.36
Premium Totals:	$951.22	$1,042.43	$91.21

Note: The Lincoln Financial Group life and disability renewal rates will remain in effect with no increases from July 1, 2016 through June 30, 2018.

Thank you for your consideration of this matter. I would be happy to answer any questions that you may have.

DRAFT

RESOLUTION NO. 16-
City Council

RESOLUTION APPROVING EMPLOYEE VISION/LIFE/ ACCIDENTAL DEATH/DISABILITY BENEFITS FOR FY 2016-2018

BE IT RESOLVED BY THE CITY COUNCIL OF HIAWATHA, IOWA, appropriate City Officials are hereby authorized to enter into agreements for renewal of employee benefits and renewal rates shall remain in effect with no increases from July 1, 2016 through June 30, 2018 as follows:

- Voluntary Avesis vision insurance.
- Lincoln Financial Group life insurance, accidental death benefits, short term disability, long term disability, and voluntary supplemental life insurance coverage.

AYES:
NAYS:
ABSENT:

PASSED AND APPROVED on this 18th day of May, 2016.

_____
Bill Bennett, Mayor

ATTEST:

_____
Kari Graber, Deputy Clerk