



STAFF REPORT

DATE: December 6, 2016
CONSENT
ITEM #: 10

TO: Mayor and City Council and Parks Commission
FROM: Kristina Handt, City Administrator
AGENDA ITEM: Employer/Employee Health Insurance Cost Share

BACKGROUND:

Staff brought the health insurance renewal information to both the Finance Committee and HR Committee in November. The purpose was to get a recommendation on whether or not the 6% increase to the premium for 2017 would be shared equally between the employer and employee, as had been the previous practice. As a result, the current employer contribution for health insurance is 87% for single coverage and 76.5% for family coverage.

ISSUE FOR DISCUSSION:

What percentage of the health insurance premium should be covered by the employer in 2017?

PROPOSAL DETAILS/ANALYSIS:

The HR Committee recommended that a policy setting specific percentages be developed rather than the past practice of sharing the increases. This would provide a clearer communication tool and better documentation of the how much the City covers. The HR Committee further recommended that the City cover 90% of the premium for single coverage and 80% for family coverage. No change in plan (currently Blue Cross Blue Shield) is recommended at this time.

FISCAL IMPACT: Increase to the City share of benefit expense of approximately \$800 per month.

OPTIONS:

- 1) Adopt Resolution 2016-108 to approve recommendations of HR Committee
- 2) Amend and then Adopt Resolution 2016-108

RECOMMENDATION:

If removed from the consent agenda:

Motion to adopt Resolution 2016-108

**CITY OF LAKE ELMO
WASHINGTON COUNTY
STATE OF MINNESOTA**

RESOLUTION NO. 2016- 108

*A RESOLUTION APPROVING HEALTH CARE PLAN AND ESTABLISHING CITY
CONTRIBUTION TO EMPLOYEE HEALTH INSURANCE BENEFITS FOR 2017*

WHEREAS, the Lake Elmo City Council has determined that it is the best interest of the City to provide a health insurance plan to help maintain the health of its current employees and to enable the city to attract and retain a quality workforce; and

WHEREAS, it is now necessary to determine the insurance plan and contributions to premium costs for the period from 1/1/2017 to 12/31/2017;

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAKE ELMO, WASHINGTON COUNTY, MINNESOTA, that it should and hereby does approve the Minnesota Service Cooperative Blue Cross Blue Shield Aware Gold Plan 4 for the period of 1/1/17 to 12/31/17; and

FURTHER BE IT RESOLVED, that for calendar year 2017, the City of Lake Elmo's contribution to the total cost of providing health insurance benefits shall be as follows: 90% of premium for single coverage and 80% of premium for family coverage.

This resolution was adopted by the City Council of the City of Lake Elmo on this ____ day of _____, 2016.

Mike Pearson, Mayor

ATTEST:

Julie Johnson, City Clerk