

Meeting Agendas/Info

**CITY COUNCIL
COMMUNICATION:**

REVISED

01-363

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

AGENDA:

JULY 9, 2001

SYNOPSIS -

Recommendation to enter into a 28E Agreement with Metro Waste Authority (Tom Hadden, Executive Director) to permit participation of their represented and non-represented employees in the City's insured Long Term Disability (LTD) Plan and the City's self-funded health and dental plans for a period not to exceed June 30, 2006.

SUBJECT:

28E AGREEMENT
WITH METRO
WASTE AUTHORITY
FOR
PARTICIPATION IN
THE CITY'S SELF-
FUNDED HEALTH
PLAN

FISCAL IMPACT -

It is anticipated the contributions toward claims will be sufficient to cover claims incurred. Additionally, Metro Waste Authority will pay a 2 percent administration fee providing about \$7,200 per year in revenue. Metro Waste Authority will pay the full cost of LTD premiums.

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

RECOMMENDATION -

Approval.

SUBMITTED BY:

THOMAS TURNER
HUMAN
RESOURCES
DIRECTOR

BACKGROUND -

Metro Waste Authority has nearly 50 employees in its operations. Such number is insufficient to provide a self-funded insurance plan. Additionally, a small group such as this is subject to wide variations in health costs due to the group size. The small group size also significantly impacts the cost of LTD insurance. Metro Waste Authority and the City of Des Moines have been cooperating in various areas such as the compost site lease. Subsequently, discussions between staff and Metro Waste Authority focused on other areas of collaboration in the area of staff services.

The framework of the 28E permitting participation of Metro Waste Authority employees in the City of Des Moines' LTD health and dental plans include:

1. Termination by either party with 90 days notice;
2. Payment of calculated contributions by the 15th of each month;
3. Provision of state required reserve by Metro Waste Authority;
4. Use of reserve to offset claims in excess of 125 percent of plan contributions;
5. Annual renewals based upon actual group experience;
6. Continued autonomy regarding benefit levels with the City of Des Moines; and
7. Participation only for active and COBRA covered employees of Metro Waste Authority.

In addition, the Metro Waste Authority and City of Des Moines will determine if further collaboration in the areas of accident prevention and investigation, health clinic services, employee development programs, payroll services, and other human resources services are mutually beneficial.
