

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: May 20, 2013
	Agenda Item No. 39 Roll Call No. <u>13-810</u> Communication No. <u>13-254</u> Submitted by: James R. Wells, Human Resources Director

AGENDA HEADING:

Approve three (3) month contract extension with The Hartford, Liam E. McGee, CEO, One Hartford Plaza, Hartford, CT 06155 for the provision of Long-Term Disability (LTD) benefits for eligible employees.

SYNOPSIS:

Approve contract extension with The Hartford to September 30, 2013 for provision of LTD benefits, allowing the LTD benefit and group life insurance benefit to be bid simultaneously in efforts to produce the most competitive rates.

FISCAL IMPACT:

Amount: \$34,500 per month

Funding Source: SP451, HRS961000, Special Revenue Funds, Other Employee Benefits

ADDITIONAL INFORMATION:

The City provides LTD benefits to various union employees (Municipal Employees Association [MEA]; Central Iowa Public Employees Council [CIPEC]; American Federal, State, County and Municipal Employees [AFSCME]) and the Supervisor, Professional and Management (SPM) employees. This benefit provides partial income replacement of an employee’s salary in the event they are unable to work due to an illness or accident. Benefit coverage for each union group is determined through the collective bargaining process.

The Hartford has provided this benefit to City employees since 2007 following a competitive bid process. Rates are based on the type of work performed by each employee group. Currently, the City pays \$.36/\$100 of covered salary for AFSCME employees, \$.67/\$100 for SPM and MEA employees and \$.84/\$100 for CIPEC employees.

Historically, the City has bid the LTD and group life insurance benefits separately. Newly hired, benefit consultant, Holmes Murphy and Associates, states that standard practice is to bid these two (2) benefits together as it will produce the most competitive rate quotes. The agreement with Dearborn National Life for life insurance benefit expires October 1, 2013 and by extending the LTD agreement three (3) months, both benefits can be bid together. The Hartford has guaranteed current rates during the extension period.

PREVIOUS COUNCIL ACTION(S):

Date: August 9, 2010

Roll Call Number: [10-1282](#)

Action: [Approving](#) Long Term Disability Insurance Coverage benefits through June 30, 2013 with The Hartford Life Group (Liam E. McGee, President and CEO). ([Council Communication No. 10-484](#)) Moved by Moore to adopt. Motion Carried 7-0.

Date: June 4, 2007

Roll Call Number: [07-1084](#)

Action: Long-Term Disability Insurance coverage with The Hartford Life Group beginning July 2007 through June 30, 2010 with three (3) one (1) year options to renew. ([Council Communication No. 07-337](#)) Moved by Vlassis to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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