

SYCAMORE CITY COUNCIL
AGENDA
August 22, 2005

City Council Committee Meetings

No Meetings are Scheduled

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Regular City Council Meeting
7:00 P.M.

1. **CALL TO ORDER**
2. **INVOCATION**
3. **PLEDGE OF ALLEGIANCE**
4. **APPROVAL OF AGENDA**
5. **AUDIENCE TO VISITORS**
6. **CONSENT AGENDA**
 - A. Approval of the Minutes for the Regular City Council Meeting of August 1, 2005.
 - B. Approval of the Minutes for the Special City Council Meeting of August 5, 2005.
 - C. Payment of the Bills for August 22, 2005.
 - D. Plan Commission Minutes for the Regular Meeting of July 11, 2005.
7. **PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS.**
 - A. Presentation by Chuck Criswell of the Turning Back Time Car Show steering committee.
 - B. Presentation by the Sycamore Economic Development Commission. Commissioner Dean Coppel will introduce Brad Coppel, Administrator of Kishwaukee Community Hospital, who will give a brief overview of the hospital's expansion project.

8. **REPORTS OF OFFICERS**

9. **REPORTS OF STANDING COMMITTEES**

10. **PUBLIC HEARINGS**

A. Public Hearing on the Proposed Annexation of Property at the Southeast Corner of Illinois Route 64 and Peace Road for Commercial Purposes.

Ordinances 2005.30 and 2005.31 on this agenda describe the terms and conditions for the annexation of the former Hove farmstead on the southeast corner of IL Route 64 and Peace Road, for highway commercial purposes. The public is welcome to speak to this matter.

11. **ORDINANCES**

A. Ordinance No. 2005.28—An Ordinance Revising the City Code of the City of Sycamore by Amending Section 3-2-8, “Term of License; Application and Transfer Fees; and Proration of Fee,” and Amending Section 3-2-10, “Transfer of License,” in the City of Sycamore, Illinois. First and Second Reading.

State statutes and the City Code frown on liquor license transfers. By law, such licenses are not transferable because each license holder must be accountable and must have passed all applicable background tests. Nevertheless, on rare occasions the liquor commissioner is approached by family members or a longtime employee of a current license holder to whom the licensee wishes to transfer ownership. The attached ordinance revision defines the point at which the current license shall terminate, namely, when fifty percent or more of the ownership interest changes from that shown on the original license application. However, the license shall remain valid if the transfer of property ownership is made to an owner on the original license application who held a fifty percent ownership interest or more.

City Council approval is recommended.

B. Ordinance No. 2005.30—An Ordinance Concerning the Recommendation of the Plan Commission With Regard to the Petition of Naupaktos L.L.C. for an Annexation Agreement, Annexation and Rezoning to “C-3” Highway Business District for Property at the Southeast Corner of Illinois Route 64 and Peace Road. First and Second Reading.

At the regular Plan Commission meeting of August 8, the Commission reviewed a petition from John Pappas, a principal owner of Naupaktos, L.L.C., who proposes to annex the 3.479-acre Hove farmstead at the southeast corner of Illinois Rt. 64 and Peace Road for the purpose of developing a commercial center. The attached annexation agreement seeks the annexation of this parcel and its rezoning to “C-3” Highway Business District. No plan of development has been presented, but Mr. Pappas is intent on maximizing the commercial potential of the property.

An annexation agreement, a plat of annexation and a zoning plat are attached for the Council’s review. This is a “shell” annexation. When a development plan is eventually submitted sometime after annexation, the developer will need to present a preliminary plan

of development for the Plan Commission's review and the Council's action. Some important features are noted in the attached annexation agreement and are summarized below:

- a) The entire parcel would be zoned "C-3" Highway Business District upon annexation.
- b) Access to this parcel is from IL Route 64 only.
- c) As explained when the Council reviewed the Simon property annexation in June, the City will bring a sanitary sewer main extension from its present location about 1,400 feet west of Peace Road along the south right-of-way line of State Route 64 to the east line of the Subject Property. The cost of this sewer extension shall be borne by the City's Sewer Impact fee Fund.
- d) The developer of this property shall have the right to connect to the 10" water main adjoining the north boundary of the site at its own expense.
- e) The owner or developer shall provide sidewalks along the south side of State Route 64 when the property is developed, but in no case later than five years from the date of annexation.

The Plan Commission reviewed this annexation agreement and petition and recommended the Council's approval by a vote of 10-0. City Council approval of the unanimous Plan Commission recommendation is requested.

C. Ordinance No. 2005.31—An Ordinance Annexing the 3.479-Acre Property at the Southeast Corner of Illinois Route 64 and Peace Road in the City of Sycamore, Illinois. First and Second Reading.

If the Council approves Ordinance No. 2005.30, the Council's support for the attached ordinance is also requested. This ordinance separately considers the act of annexation for recording purposes.

City Council approval is recommended.

D. Ordinance No. 2005.32—An Ordinance Concerning the Recommendation of the Plan Commission With Regard to the Vacation of a Portion of an East-West Alley Adjoining the North Property Line of 346 Pleasant Street in the City of Sycamore, Illinois. First and Second Reading.

At their last regular meeting on August 8, the Plan Commission also considered the vacation of a short section of a platted but unbuilt alleyway adjoining 346 Pleasant Street. At scattered sites around the City's older neighborhoods one will find alley sections that were platted and never built. For generations, adjacent property owners have maintained the grass and trees that have grown on these strips of land with no City assistance. In most instances, these narrow platted sections will never serve a useful purpose as an alley. There is insufficient City staff to pursue an active identification of such areas and the vacation of each, but the City staff has always forwarded resident requests for the vacation of such land to the Plan Commission and Council.

One such case is the 17-foot wide platted alley that runs east-west along the property at 346 Pleasant Street. Abutting the property to the north is the State highway garage and

compound. Some aerial views are attached as well as a plat of vacation to orient the Council. City Engineer John Brady has consulted with IDOT officials who do not object to the vacation, which would give one-half of the platted area to the State of Illinois and one-half to the private property owner at 346 Pleasant. The homeowner wishes to widen his garage to the north and the vacation would allow one more garage bay while meeting the required side yard setback.

On August 8, by a vote of 10-0, the Commission recommended the Council's approval. City Council approval of the Plan Commission direction is requested.

E. Ordinance No. 2005.33—An Ordinance Authorizing a One-Year Agreement with Blue Cross Blue Shield of Illinois to Provide Health Insurance for the City of Sycamore, Illinois. First and Second Reading.

The City's health insurance plan year extends from September 1 through August 31. Beginning in early June each year, our insurance broker sends out Requests for Quotations to various carriers to see if they would be interested in insuring our group and also to see if Blue Cross, our carrier since 1998, is giving us competitive rates at each renewal. This year, eight requests were sent out and seven declinations to quote were received. One company that works with self-insured groups responded with an uncompetitive quote. However, the City Manager is pleased to report that this year Blue Cross submitted the lowest renewal rate that our broker has ever seen for our group. The Blue Cross renewal originally came in at an 11.18% overall increase; our broker was able to negotiate this down to 4.90% overall increase based on the following considerations:

- The City had 8 large claims last year, five of which were still on-going.
- The City paid \$1,155,265.56 in premiums and incurred \$990,810.62 in claims expense, for a loss ratio of approximately 90%.
- Our utilization was down.
- The overall trend for rate increases was down at Blue Cross; our renewal came in at less than the current trend.
- The fact that we offered two new plan choices last year was a significant factor. Thirteen of our employees switched to HMO or Health Care Account (HCA) coverage, both of which had a considerably lower premium than that of the PPO plan. Also, any claims expenses paid from the Health Care Accounts were not added into the City's total claims expense which in turn helped to keep our loss ratio under 100%.

Broken down by plan, the PPO premium increased by 5.27%, the HMO premium increased by 4.47%, and the HCA premium **decreased** by 2.05%.

The HCA was a plan supported last year by the Health Insurance Committee in response to the concerns of many of our employees over the escalating premiums that the City and its employees must pay for quality health insurance. Those employees who are not eligible for City-paid benefits upon retirement are especially concerned, as they do not know how they will afford to keep their health insurance coverage once they leave City service. The HCA was actually an interim step toward addressing this concern as Blue Cross indicated

at our last renewal that they would be introducing a Health Savings Account (HSA) plan on January 1, 2005, which would be more beneficial to our employees than the HCA.

The HCA is a high deductible medical plan that was funded by the City. Under this plan, the City contributed \$750 for a single employee or \$1,500 for a family into the HCA; no employee contributions to the HCA fund were permitted. There are no copays under this plan. The first dollars spent each year on covered health care services were paid from the HCA. The participant did not pay for any amounts that were applied to the annual deductible (\$1500 for a single employee and \$3000 for a family) until the HCA was used up. When the HCA balance hit zero, the participant then paid any remaining deductible. Once the deductible was met, the participant was covered at 100%. If, at the start of the calendar year, there were funds remaining in a participant's HCA, these funds rolled over and were combined with the new \$750 or \$1,500 that the City contributed to each account. The HCA balance can never be more than the annual individual or family deductible (\$1,500 or \$3,000). These accounts do not earn any interest. The City owns the HCA account: if the employee terminates, the HCA balance reverts back to the City.

The Health Savings Account (HSA) is also paired with a high deductible plan. Again, there are no copays - the full cost of medical services and prescription drugs are applied to the deductible and paid for with HSA funds. Participants are issued debit cards and checkbooks to pay these expenses from their HSA funds. Once participants meet their annual deductible, they are covered at 100% for all medical expenses except drugs. Prescription drugs are paid at 80% until participants reach an out-of-pocket expense equal to their deductible, at which point drugs are then covered at 100%. Under the HSA, the employee owns the account. Both the employer and employee may make contributions to the account. The maximum amount that may be contributed to the account annually is equal to the deductible amount. Funds remaining in the account at the end of the calendar year may roll-over into the next year. There is no limit on how large the account balance can be. Mellon Bank administers the accounts. Interest is paid on fund balances and, once the account balance reaches \$4,500, participants may invest a portion of their account in any of the different investment vehicles offered by Mellon Bank. There are several fees associated with the HSA, including a \$25 set-up fee (reduced to \$10 for electronic enrollments) and a \$3.50 per month maintenance charge for account balances under \$1,000. Since employees own them, the HSA is portable; the account goes with them when they terminate their employment. It can continue to be used for qualified medical expenses or COBRA premiums (or Medicare premiums for participants over the age of 65) and these payments will not be taxed. Participants could choose to use the funds to pay for items other than qualified medical expenses, but they must then pay taxes and a penalty (if over age 65, they would only pay taxes). In the event of the death of the participant, the spouse and any qualified dependents can continue to use the HSA; withdrawals for qualified medical expenses will not be taxed. If the participant has no spouse or eligible dependents, the HSA balance will become a part of his/her estate and will be taxed. In summary, the HSA allows for tax-deferred savings in three ways: contributions are made on a pre-tax basis, interest and investment earnings grow tax-free, and qualified withdrawals are tax-free.

The Health Insurance Committee voted to offer the HSA plan in place of the HCA plan this year, and to keep the same deductible, \$1,500 single/\$3,000 family. Human Resources Director Jean Tritle met with the IAFF, FOP, AFSCME, and management employees at four separate meetings to explain the plan and ascertain employee interest.

The employees would not be the only ones to benefit from the introduction of the HSA plan. Since the premium for the HSA plan is considerably less than the premium for the PPO, HMO, or HCA plans, it would also be beneficial from a City budget perspective if more employees chose this plan. As an incentive, it is recommended that the City once again fund one-half of the deductible (\$ 750 single/\$1,500 family) for each employee who chooses to participate in the HSA. The amount that the City saves in premium will be more than enough to fund the HSA. We are also recommending that those employees who have balances in their HCA accounts be allowed to cash them out.

The premium structures are as follows:

CURRENT PPO PLAN (NO CHANGES) 5.27% INCREASE	New Monthly Rate	Dependent Cost/Pay Period	Total Employer Cost/Pay Period	Previous Employer Cost /Pay Period	Increase in Employer Cost/Pay Period	Total Employee Cost/Pay Period	Current Employee Cost/Pay Period	Increase in Employee Cost/Pay Period	Increase in Employer Cost for the Plan Year	Increase in Employee Cost for the Plan Year
Employee	511.03	0.00	235.86	225.09	10.77	0.00	0.00	0.00	280.02	0.00
Emp + Spouse	1,045.96	246.89	445.72	424.09	21.63	37.03	35.12	1.91	562.31	49.75
Emp + Child(ren)	972.13	212.82	416.75	396.02	20.73	31.92	30.16	1.76	539.06	45.82
Family	1,507.06	459.71	626.61	595.03	31.58	68.96	65.28	3.68	821.09	95.57
Retirees										
Employee	511.03	0.00	235.86	225.09	10.77	0.00	0.00	0.00	280.02	0.00
Emp + Spouse	1,045.96	0.00	482.75	459.21	23.54	0.00	0.00	0.00	612.00	0.00
Emp + Child(ren)	972.13	0.00	448.68	426.18	22.49	0.00	0.00	0.00	584.76	0.00
Family	1,507.06	0.00	695.57	660.31	35.26	0.00	0.00	0.00	916.68	0.00
Single Medicare	333.87	0.00	154.09	145.61	8.48	0.00	0.00	0.00	220.56	0.00
Emp + Spouse, Medicare	667.74	0.00	308.19	291.21	16.98	0.00	0.00	0.00	441.36	0.00
Emp Medicare, Spouse Not	844.90	0.00	389.95	370.70	19.26	0.00	0.00	0.00	500.64	0.00

HMO PLAN (NO CHANGES) 4.47% INCREASE	New Monthly Rate	Dependent Cost/Pay Period	Total Employer Cost/Pay Period	Previous Employer Cost /Pay Period	Increase in Employer Cost/Pay Period	Total Employee Cost/Pay Period	Current Employee Cost/Pay Period	Increase in Employee Cost/Pay Period	Increase in Employer Cost for the Plan Year	Increase in Employee Cost for the Plan Year
Employee	409.16	0.00	188.84	181.56	7.28	0.00	0.00	0.00	189.36	0.00
Emp + Spouse	837.44	197.67	356.86	342.09	14.77	29.65	28.33	1.32	384.01	34.32
Emp + Child(ren)	778.33	170.39	333.67	319.45	14.22	25.56	24.33	1.23	369.83	31.93
Family	1,206.61	368.05	501.69	479.97	21.72	55.21	52.66	2.55	564.70	66.25
Retirees										
Employee	409.16	0.00	188.84	181.56	7.28	0.00	0.00	0.00	189.36	0.00
Emp + Spouse	837.44	0.00	386.51	370.42	16.09	0.00	0.00	0.00	418.32	0.00
Emp + Child(ren)	778.33	0.00	359.23	343.79	15.44	0.00	0.00	0.00	401.52	0.00
Family	1,206.61	0.00	556.90	532.64	24.26	0.00	0.00	0.00	630.72	0.00
Single Medicare	267.31	0.00	123.37	117.46	5.91	0.00	0.00	0.00	153.72	0.00
Emp + Spouse, Medicare	534.60	0.00	308.19	234.91	11.82	0.00	0.00	0.00	307.44	0.00
Emp Medicare, Spouse Not	676.47	0.00	389.95	299.03	13.19	0.00	0.00	0.00	342.96	0.00

HSA PLAN NEW IN FY06	Monthly Rate	Dependent Cost/Pay	Total Employer	Total Employee	Employer Contribution to	HSA Total Employer Cost	PPO Total Employer Cost	HMO Total Employer	HCA Total Employer
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		Period	Cost/Pay Period	Cost /Pay Period	HSA	for the Plan Year	for the Plan Year	Cost for the Plan Year	Cost for the Plan Year
Employee	366.22	0.00	169.02	0.00	750.00	5,144.64	6,132.36	4,909.92	5,646.84
Emp + Spouse	749.58	176.98	319.46	26.55	1,500.00	9,805.93	11,588.65	9,278.38	10,753.77
Emp + Child(ren)	696.65	152.51	298.65	22.88	1,500.00	9,265.03	10,835.58	8,675.45	10,152.28
Family	1,080.01	329.44	449.05	49.42	1,500.00	13,175.30	16,291.87	13,043.91	14,509.31
Retirees									
Employee	366.22	0.00	169.02	0.00	750.00	5,144.64	6,132.36	4,909.92	5,646.84
Emp + Spouse	749.58	0.00	346.01	0.00	1,500.00	10,496.16	12,551.52	10,049.28	11,522.64
Emp + Child(ren)	696.65	0.00	321.53	0.00	1,500.00	9,859.80	11,665.56	9,339.96	10,815.00
Family	1,080.01	0.00	498.47	0.00	1,500.00	14,460.12	18,084.72	14,479.32	15,940.92
Single Medicare	239.26	0.00	110.43	0.00	750.00	3,621.12	4,006.44	3,207.72	3,949.32
Emp + Spouse, Medicare	478.53	0.00	220.86	0.00	1,500.00	7,242.36	8,012.88	6,415.20	7,898.52
Emp Medicare, Spouse Not	605.48	0.00	279.45	0.00	1,500.00	8,765.76	10,138.80	8,117.64	9,596.16

**Blue Cross Blue Shield Premium
FY06 (Based on July 1, 2005 census)
(KEEP CURRENT PLANS)**

Month	Retiree Premium	Less Retiree Share	Total Employer Share, Retirees	Total Premium Active Employees	Less Employee Share*	HCA Payments	Total Employer Share, Active Employees
May 05	15,874.87	487.69	15,387.18	91,937.54	6,811.12	364.20	85,490.62
June 05	17,305.54	487.69	16,817.85	89,298.22	6,811.12	1,007.67	83,494.77
July 05	17,305.54	487.69	16,817.85	89,645.91	6,680.56	225.48	83,190.83
August 05	<u>16,272.34</u>	<u>487.69</u>	<u>15,784.65</u>	<u>92,544.84</u>	<u>10,151.40</u>	<u>2,281.17</u>	<u>84,674.61</u>
SUBTOTAL	66,758.29	1,950.76	64,807.53	363,426.51	30,454.20	3,878.52	336,850.83
September 05	19,737.86	511.03	19,226.83	94,949.65	9,613.08	0.00	85,336.57
October 05	19,737.86	511.03	19,226.83	94,949.65	9,613.08	0.00	85,336.57
November 05	19,737.86	511.03	19,226.83	94,949.65	9,613.08	0.00	85,336.57
December 05	19,737.86	511.03	19,226.83	94,949.65	9,613.08	0.00	85,336.57
January 06	19,737.86	511.03	19,226.83	94,949.65	9,613.08	0.00	85,336.57
February 06	19,737.86	511.03	19,226.83	94,949.65	9,613.08	0.00	85,336.57
March 06	19,737.86	511.03	19,226.83	94,949.65	9,613.08	0.00	85,336.57
April 06	<u>19,737.86</u>	<u>511.03</u>	<u>19,226.83</u>	<u>94,949.65</u>	<u>9,613.08</u>	<u>0.00</u>	<u>85,336.57</u>
SUBTOTAL	157,902.88	4,088.24	153,814.64	759,597.20	76,904.66	0.00	682,692.54
TOTAL	224,661.17	6,039.00	218,622.17	1,123,023.71	107,358.86	3,878.52	1,019,543.37
HCA CASH OUT			0.00			10,085.01	
2006 HCA FUNDING			0.00			10,500.00	
GRAND TOTAL EMPLOYER PREMIUM			218,622.17			1,040,128.38	

(KEEP PPO AND HMO PLANS AND OFFER HSA IN PLACE OF HCA, \$1500/\$3000 DEDUCTIBLE)

Month	Retiree Premium	Less Retiree Share	Total Employer Share, Retirees	Total Premium Active Employees	Less Employee Share*	HCA Payments	Total Employer Share, Active Employees
May 05	15,874.87	487.69	15,387.18	91,937.54	6,811.12	364.20	85,490.62
June 05	17,305.54	487.69	16,817.85	89,298.22	6,811.12	1,007.67	83,494.77
July 05	17,305.54	487.69	16,817.85	89,645.91	6,680.56	225.48	83,190.83
August 05 (estimated)	<u>16,272.34</u>	<u>487.69</u>	<u>15,784.65</u>	<u>92,544.84</u>	<u>10,151.40</u>	<u>2,281.17</u>	<u>84,674.61</u>
SUBTOTAL	66,758.29	1,950.76	64,807.53	363,426.51	30,454.20	3,878.52	336,850.83
September 05	19,737.86	511.03	19,226.83	94,368.07	9,354.69	0.00	85,013.38
October 05	19,737.86	511.03	19,226.83	94,368.07	9,354.69	0.00	85,013.38
November 05	19,737.86	511.03	19,226.83	94,368.07	9,354.69	0.00	85,013.38
December 05	19,737.86	511.03	19,226.83	94,368.07	9,354.69	0.00	85,013.38
January 06	19,737.86	511.03	19,226.83	94,368.07	9,354.69	0.00	85,013.38
February 06	19,737.86	511.03	19,226.83	94,368.07	9,354.69	0.00	85,013.38
March 06	19,737.86	511.03	19,226.83	94,368.07	9,354.69	0.00	85,013.38
April 06	<u>19,737.86</u>	<u>511.03</u>	<u>19,226.83</u>	<u>94,368.07</u>	<u>9,354.69</u>	<u>0.00</u>	<u>85,013.38</u>
SUBTOTAL	157,902.88	4,088.24	153,814.64	754,944.56	74,837.49	0.00	680,107.07
TOTAL	224,661.17	6,039.00	218,622.17	1,118,371.07	105,291.69	3,878.52	1,016,957.90
HCA CASH OUT			0.00			10,085.01	
HSA EMPLOYER CONTRIBUTION (equal to 1/2 deductible)			0.00			10,500.00	
GRAND TOTAL EMPLOYER PREMIUM		218,622.17			1,037,542.91		
SAVINGS		0.00			2,585.47		

The City Manager recommends that the Council approve the renewal of our contract with Blue Cross, including the HSA as an option along with the PPO and HMO. For those employees who want a vehicle to save for their medical expenses after retirement, the HSA provides a plan that will help them accomplish this goal. It is also recommended that the Council approve the City's contribution to the HSA as an incentive for employees to choose this plan, as it will save the City and our employees premium dollars in the long run.

F. Ordinance No. 2005.34—An Ordinance Authorizing a One-Year Agreement with the Principal Financial Group to provide Dental, Life and Short-Term Disability Insurance for the City of Sycamore, Illinois. First and Second Reading.

As noted above, the fact that 13 employees chose to participate in the HMO or HCA plans in the past year was a significant factor in the determination of the health insurance renewal rate. It is estimated that the City saved \$11,034.22 as a result of offering the two alternative plans. The city staff also budgeted for a two-digit renewal rate in FY06 so the overall 4.9% increase results in savings for the remaining 8 months of the City's fiscal year. With these savings in mind, Human Resources Director Jean Tritle was authorized to explore a dental benefit for our employees this year. To see if this was feasible, she asked our broker to put out a Request for Quotations for a dental plan. Quotes were received from four companies; all four would only bid on coverage for active full-time employees. The best plan came from the Principal Financial Group. Their plan offers the following features:

- \$1,500 annual maximum per participant
- Preventive care covered at 100%, not subject to a deductible

- Minor restorative procedures covered at 80%, subject to a \$50 deductible per participant (maximum of three deductibles per family)
- Major restorative procedures covered at 50%, subject to a \$50 deductible
- \$1,000 lifetime orthodontic benefit for each child
- No penalty for going to an out-of-network provider
- Vision discounts through the Vision Services Plan
- No waiting periods
- **Two-year rate guarantee** (since utilization is very high in the first year of a new dental plan, this will ensure that the renewal rate for the second year does not increase in kind)

The Principal also offers multi-plan discounts, so they were asked to quote our life insurance/AD&D and short-term disability insurance. These plans are currently with FORTIS insurance, and are up for renewal on October 1, 2005. The Principal came back with a quote for life/AD&D coverage that is less than the rates we are currently paying, and they agreed to keep the short-term disability rate at the same rate we are currently paying. If we agree to take this coverage, they will also decrease the dental rates they originally quoted to us by another 5%. The premium structure for these plans is as follows:

	ESTIMATED VOLUME	CURRENT RATE PREMIUM/M ONTH	PRINCIPAL RATE PREMIUM PER MONTH	ESTIMATED ANNUAL SAVINGS
Group Life Insurance (\$25,000 for active employees, \$15,000 for retirees, rate guaranteed for 3 years)	\$2,413.250	\$0.69/\$1,000	\$0.57/\$1,000	
MONTHLY PREMIUM		\$1,665.14	\$1,375.55	\$3,475.08
Group AD&D (rate guaranteed for 3 years)	\$2,413.250	0.05/\$1,000	0.049/\$1,000	
MONTHLY PREMIUM		\$120.66	\$118.25	\$28.96
Group Short-term Disability (rate guaranteed for 1 year)	\$50,344	\$0.55/\$10 of coverage	\$0.55/\$10 of coverage	
MONTHLY PREMIUM		\$2,768.92	\$2,768.92	\$0.00
DENTAL (rate guaranteed for 2 years)	ORIGINAL QUOTE	ESTIMATED PREMIUM	MULTIPLAN DISCOUNT	ESTIMATED PREMIUM
Employee	\$21.77/month	\$7,053.48	\$20.68/month	\$6,700.81
Employee + Spouse	\$45.41/month	\$7,628.88	\$43.14/month	\$7,247.44
Employee + Child(ren)	\$49.35/month	\$2,368.80	\$46.88/month	\$2,250.36
Family	\$79.88/month	\$38,342.40	\$75.89/month	\$36,425.28
TOTAL ANNUAL DENTAL PREMIUM		\$55,393.56		\$52,623.88
TOTAL ANNUAL PREMIUM, EMPLOYEE ONLY		\$22,205.40		\$21,095.13

Based upon the total realized savings, the City Manager proposes that the City pay 100% of the dental coverage for each full-time employee. Those employees who wish to cover family members will be responsible for 100% of the cost for dependent coverage.

In summary, City Council approval of the Principal dental plan for all full-time employees is recommended for two reasons. First, our employees have been requesting the addition of this benefit for many years, and the Health Insurance Committee feels that they will be grateful to have it, even if they are paying the full cost of dependent coverage. Secondly,

the addition of this benefit makes the City competitive with other municipalities when we are recruiting new employees.

- 12. RESOLUTIONS--None**
- 13. CONSIDERATIONS--None**
- 14. APPOINTMENTS**
- 15. ADJOURNMENT**