

Board Action Request

SUBJECT: Employee FY 21 Benefits Update

DATE: March 25, 2020

FROM: Chief Horvath, Fire Chief

Background: The renewal for the District's benefits plans is ready for review and approval. The benefit period for Tubac Fire District is May 1 through April 30. Blue Cross Blue Shield increased the medical plans 1.42%, MetLife increased the short-term disability plan by 6%, and there is no change on dental or vision.

Staff is recommending that the Fire District offer the same benefit plan as this year. This includes both a PPO and HSA health benefit plan in order to allow employees an alternate option to the traditional PPO plan. Staff is recommending that, like last year, the HSA users are provided with a stipend of \$1,200 at the beginning of the benefit year.

Staff recommendations for FY 21 Benefits includes:

1. Medical: Blue Cross Blue Shield of Arizona
 - a. PPO \$1,500 - 80/50% – Balanced Funding
 - b. PPO \$3,000 – 100/50% – HSA Balanced Funding, with \$1,200 initial deposit into the employee's HSA
2. Metlife PPO Plan
3. VSP Vision Plan
4. Ancillary Benefits: Metlife (Short-Term Disability, Basic Life/AD&D, and Supplemental Life/AD&D)

Tubac Fire District pays 100% of employee only coverage for health, dental, vision and ancillary except for Supplemental Life/AD&D which the employee pays 100%. The District pays 75% of dependent coverage for medical only.

Our benefits consultant from Mahoney Group will attend the board meeting to discuss the renewal.

Fiscal Impact: Rate changes included in the board attachment. Total impact will be determined during the FY 21 budget development

Alternate Option: Provide staff with further direction

Legal Review: N/A

Staff Recommendation: Staff recommends approving the FY 21 benefits as proposed.

Proposed Motion: Move to approve the FY 21 benefits package as proposed by staff.

See Attachments

- Mahoney Group Benefit Plans