



Legislation Text

File #: 19-1135, **Version:** 1

City Council Meeting Date: October 15, 2019

To: Mayor and City Council
City Administrator

From: Communications & Human Resources Director Michelle Mahowald

Consider Approval of Memorandums of Agreement for Law Enforcement Labor Services Sergeant Unit Law Enforcement Labor Services Patrol Unit, International Union of Operating Engineers Local 70 General Unit, and International Union of Operating Engineers Local 70 Utility Unit regarding discontinuance of Public Employee Insurance Plan as the employee's health insurance carrier effective January 1, 2020.

Action Requested:

The Northfield City Council approves the Memorandums of Agreement for Law Enforcement Labor Services Sergeant Unit, Law Enforcement Labor Services Patrol Unit, International Union of Operating Engineers Local 70 General Unit, and International Union of Operating Engineers Local 70 Utility Unit regarding discontinuance of Public Employee Insurance Plan as the employee's health insurance carrier effective January 1, 2020.

Summary Report:

Gallagher Benefits Services presented 2020 health insurance considerations to the Council Employment Policy Committee and the employee health insurance committee at their September 24, 2019 meeting. The employee health insurance committee consists of representatives from each department and business representatives representing each union.

In August, Gallagher conducted a formal request for proposal process. Blue Cross Blue Shield (BCBS) was the most competitive health insurance option received out of eight proposals.

The Public Employee Insurance Plan (PEIP) did not submit a proposal to Gallagher as part of the proposal process. PEIP has been the City's health insurance carrier for twenty years. PEIP requires unions to vote in and vote out of participating in their plans. PEIP requires all four unions to submit 30-day written cancellation notice. The Memorandum of Agreement for each union serves this requirement.

On September 24, 2019 the employee health insurance committee reached consensus and recommended switching to Blue Cross Blue Shield as the employee health insurance carrier effective January 1, 2020.

Five total informational meetings were held for employees on September 26, 27, and 30. Union groups held a vote to either stay with PEIP or switch to BCBS. All four unions voted to switch to BCBS. All four unions signed the attached Memorandums of Agreement to discontinue with PEIP.

Alternative Options:

None.

Financial Impacts:

Effective January 1, 2020, the City of Northfield will offer three health insurance plan designs with BCBS, similar plan designs offered by the PEIP. Employer contributions, \$550 per month and splitting the difference of any additional premium between employer and employee 50/50, will continue as written in all 2019-2020 labor contracts.

Tentative Timelines:

Staff recommends consideration of approval of Memorandums of Agreement for Law Enforcement Labor Services Sergeants Unit, Law Enforcement Labor Services Patrol Unit, International Union of Operating Engineers Local 70 General Unit, and International Union of Operating Engineers Utility Unit. Executed Memorandums of Agreement will be sent to PEIP and added to union representatives for the labor contracts.