

Board Action Request

SUBJECT: Employee FY 222 Benefits Recommendation

DATE: March 31, 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. District staff solicited proposals from three benefit providers: Mahoney Group, Sedona Financial, and Crest Insurance. The preferred benefit provider is Mahoney Group with the following insurance benefit proposals:

- Blue Cross Blue Shield - medical plans increased 1.2%
- MetLife -dental plans decreased 3%
- VSP - vision plan increased 4.9% (first increase in 3 years).

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, similar to last year, the HSA users are provided with a stipend of \$1,200 at the beginning of the benefit year.

Staff recommendations for FY 22 Benefits includes:

1. Medical: Blue Cross Blue Shield of Arizona
 - a. PPO \$1,500 – Balanced Funding
 - b. PPO \$3,000 – 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 and 75% of dependent coverage.

Our benefits consultant from Mahoney Group will be in attendance at the board meeting to discuss the renewal.

Fiscal Impact: Rate changes included in the board attachment. Total impact will be determined during the FY 21/22 budget development

Alternate Option: Provide staff with further direction

Legal Review: N/A

Staff Recommendation: Staff recommends approving the FY 22 benefits as proposed.

Proposed Motion: Move to approve the FY 22 benefits package as proposed by staff.

See Attachments

- Mahoney Group Benefit Plans