



Legislation Text

File #: 2282-2011, **Version:** 1

BACKGROUND: To maintain insurance programs in accordance with the negotiated labor contracts, additional funding of the short term disability insurance program is necessary to insure continuation of employee insurance coverage. Cost estimates were based on 2010-11 trust fund expenditures using a three year average of actual city utilization, expected changes due to union negotiations, as well as input from insurance carriers and from the City's employee benefits consultant. The contract is for a three-year period, subject to annual appropriation; this ordinance represents the second year.

Contract compliance number is 36-2598882

FISCAL IMPACT: To modify and extend the contract with Fort Dearborn Life Insurance Company to establish the maximum obligation liability, and to authorize the expenditure of \$2,789,311 for short term disability administrative and claims services from February 1, 2012 through January 31, 2013. Funding is available after passage of the 2012 budget, Ordinance No. 2250-2011 for this contract. This ordinance is an emergency measure to ensure continued insurance coverage as negotiated by union contracts.

To authorize the Human Resources Director to modify and extend the contract with Fort Dearborn Life Insurance Company to provide all eligible employees short term disability insurance coverage from February 1, 2012 through January 31, 2013, and to authorize the expenditure of \$2,789,311 from the Employee Benefits Fund, or so much thereof as may be necessary to pay the costs of said contract; and to declare an emergency. (\$2,789,311.00)

WHEREAS, it is in the best interest of the City of Columbus to modify and extend the contract with Fort Dearborn Life Insurance Company to provide all eligible employees short term disability insurance administration from February 1, 2012 through January 31, 2013; and

WHEREAS, it is necessary to authorize the expenditure of up to \$2,789,311, or so much thereof as may be necessary to pay contract costs for short term disability insurance services;

WHEREAS, an emergency exists in the usual daily operation of the City of Columbus in that it is immediately necessary for aforementioned purpose for the preservation of the public health, peace, property, safety, and welfare;

Now, Therefore,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That the Human Resources Director is hereby authorized to modify and extend the contract with Fort Dearborn Life Insurance Company to provide short term disability insurance to all eligible employees from February 1, 2012 through January 31, 2013.

SECTION 2. That the expenditure of up to \$2,789,311, or so much thereof as may be necessary for coverage from the Employee Benefits Fund 502, Department of Human Resources is hereby authorized and directed. Division Number 46-01, OL1 3, OL3 3362, OCA 460008, Subfund 211, Amount \$85,000; and Division Number 46-01, OL1 3, OL3 3363, OCA 461042, Subfund 211, Amount \$2,704,311.

See attachment: 2012 STD appropriation attachment

SECTION 3. That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor or ten days after passage, if the Mayor neither approves nor vetoes the same.