Legislation Details (With Text)

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Type:	Ordinance	**Status:**	Passed
File created:	12/20/2019	**In control:**	Administration Committee
On agenda:	1/13/2020	**Final action:**	1/15/2020
Title:	To authorize the Human Resources Director to modify and extend the contract with Dearborn National Life Insurance Company to provide all eligible employees short term disability insurance coverage from February 1, 2020 through January 31, 2021, and to authorize the expenditure of $3,650,000.00 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. ($3,650,000.00)		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	1. 0008-2020 Disability STD Attachment		

Date	Ver.	Action By	Action	Result
1/15/2020	1	CITY CLERK	Attest	
1/14/2020	1	MAYOR	Signed	
1/13/2020	1	COUNCIL PRESIDENT	Signed	
1/13/2020	1	Columbus City Council	Approved	Pass

BACKGROUND:

Additional funding for the short term disability insurance program is necessary to insure continuation of the program in accordance with the negotiated labor contracts. The Human Resources Department requests to modify and extend the existing contract with Dearborn National Life Insurance Company for one year and to provide for funding February 1, 2020 through January 31, 2021 for this program. Due to ongoing labor negotiations with collective bargaining contracts citywide in 2018, and subsequent major changes to the City's health insurance benefits, the Department of Human Resources decided it was not in the City's best interest to engage in the request for proposal process for life insurance in 2019.

The Department of Human Resources will bid this contract in 2020 for a start date of February 1, 2021. The current contract, legislated via Ordinance 0019-2019, represents the final year of a three year contract.

The total obligation of this contract is $7,000,000, including this modification.

Cost estimates for 2020 are based on 2018-19 trust fund expenditures using a two 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.

Emergency action is requested to ensure the life insurance program for city employees is able to commence as soon as contractually possible, thereby maintaining continuity of service.

Contract compliance number is 36-2598882

FISCAL IMPACT: Funding is available in the 2020 Employee Benefits Fund for this contract. This ordinance is

contingent on the passage of the 2020 insurance appropriation ordinance 0001-2020.

To authorize the Human Resources Director to modify and extend the contract with Dearborn National Life Insurance Company to provide all eligible employees short term disability insurance coverage from February 1, 2020 through January 31, 2021, and to authorize the expenditure of $3,650,000.00 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. ($3,650,000.00)

WHEREAS, it is in the best interest of the City of Columbus to modify and extend the contract with Dearborn National to provide all eligible employees short term disability insurance administration from February 1, 2020 through January 31, 2021; and

WHEREAS, it is necessary to authorize the expenditure of up to $3,650,000, or so much thereof as may be necessary to pay contract costs for short term disability insurance services; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Human Resources in that it is immediately necessary to modify the contract with Dearborn National to ensure the short term disability program for city employees is able to commence as soon as contractually possible,

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 Dearborn National to provide short term disability insurance to all eligible employees from February 1, 2020 through January 31, 2021.

SECTION 2. That the expenditure of $3,650,000 or so much thereof as may be necessary for coverage is hereby authorized to be expended as follows:

Department: 4602 | Fund: 5502 | Subfund: 550208 | Program: RM005 | Amount: $150,000 (STD Admin)
Department: 4602 | Fund: 5502 | Subfund: 550208 | Program: RM006 | Amount: $3,500,000 (STD Claims)

SECTION 3. That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated, and the City Auditor shall establish such accounting codes as necessary.

SECTION 4. 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.

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