



Legislation Text

File #: 0019-2019, Version: 1

To maintain insurance programs in accordance with the negotiated labor contracts, additional funding for short term disability insurance is necessary to insure continuation of the short term disability insurance program. The Human Resources Department requests to modify and extend the existing contract with Dearborn National Life Insurance Company and to provide for funding February 1, 2019 through January 31, 2020, for the City's short term disability insurance program.

Cost estimates were based on 2017-18 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. The contract is for a three-year period, subject to annual appropriation; this ordinance represents the third year.

Emergency action is requested to ensure the short term disability 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: To modify and extend the contract with Dearborn National to establish the maximum obligation liability, and to authorize the expenditure of \$3,350,000 for short term disability administrative and claims services from February 1, 2019 through January 31, 2020. This ordinance is an emergency measure to ensure continued insurance coverage as negotiated by union contracts. Funding is available in the 2019 budget for this contract. This ordinance is contingent on the passage of the 2019 insurance appropriation ordinance 0013-2019.

To authorize the Human Resources Director to modify and extend the contract with Dearborn National to provide all eligible employees short term disability insurance coverage from February 1, 2019 through January 31, 2020; to authorize the expenditure of \$3,350,000.00 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. (\$3,350,000.00)

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, 2019 through January 31, 2020; and

WHEREAS, it is necessary to authorize the expenditure of up to \$3,350,000, 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, 2019 through January 31, 2020.

SECTION 2. That the expenditure of \$3,350,000 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: \$3,200,000 (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.