

RESOLUTION NO. *R-153-18***A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE ALL NECESSARY CONTRACTS FOR EMPLOYEE INSURANCE COVERAGE AND AMENDING THE EMPLOYER/EMPLOYEE CONTRIBUTION PRACTICES IN INTERNAL SERVICE FUND 9106**

WHEREAS, the City of Fort Smith desires to provide medical, prescription, dental, vision, long term disability, and life insurance to its employees; and,

WHEREAS, the City of Fort Smith also desires to provide supplemental benefits to its employees; and,

WHEREAS, the City of Fort Smith through its benefits broker, One Digital, issued requests for proposals (RFP) and negotiated for a third party administrator (TPA), pharmacy benefits manager, dental insurance provider, vision insurance provider, and a stop-loss insurance carrier; and,

WHEREAS, the City Administrator, Deputy City Administrator, Director of Human Resources, Director of Finance, and the Human Resources Benefits Coordinator comprised the selection committee; and,

WHEREAS, the selection committee, after due consideration, recommends to the Board of Directors the providers identified in this Resolution; and,

WHEREAS, the Board of Directors has defined the employer/employee contribution strategy and the reserve fund balance for Fund 9106 via resolution in 2015; and,

WHEREAS, the contribution strategy and reserve fund balance should be reviewed and potentially updated on no less than a bi-annual basis based on stop-loss and actuarial data provided by the benefits broker and TPA.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY OF FORT SMITH, ARKANSAS, THAT:

Section 1: HealthScope Benefits is selected as the third party administrator. HealthScope has offered a three-year rate guarantee and the contract will be for three years.

Section 2: ProAct Pharmacy Benefits Management is selected as the pharmacy benefits manager (PBM). ProAct has offered a three-year rate guarantee and the contract will be for three years.

Section 3: Superior Vision is selected for vision insurance. Superior Vision is the City's current vision insurance provider. Superior Vision has offered a two-year

rate guarantee and the contract will be for two years.

Section 4: Delta Dental is selected as the dental insurance provider. Delta Dental has offered two- and three-year rate guarantees. The City has chosen the three-year rate guarantee and the contract will be for three years.

Section 5: Aetna is selected to provide Specific Excess Insurance and Aggregate Excess Insurance for the year 2019 for the Self-Funded Health Coverage program for employee of the City of Fort Smith (stop-loss). Aetna is the City's current stop-loss carrier. The stop-loss contract with Aetna is a standard one-year contract.

Section 6: OneAmerica is selected as the life insurance and long term disability insurance provider. OneAmerica is the City's current provider of life and long term disability insurance. OneAmerica has offered a three-year rate guarantee and the contract will be for three years.

Section 7: The City Administrator, or his designee is hererby authorized to execute all documents necessary to contract for TPA, PBM, vision insurance, dental insurance, life insurance, and long term disability insurance, and to bind the stop-loss coverage.

Section 8: The employer/employee contribution strategy for internal service Fund 9106 shall be to achieve an overall employer/employee funded ratio between 68% employer/32% employee and 74% employer/26% employee. The optimal goal is to achieve a funded ratio of 70% employer and 30% employee.

Section 9: The reserve balance for Fund 9106 should be equal to or greater than 20% of the fund's annual expenditures.

Section 10: No less often than bi-annually, during the preparation of each upcoming year's budget, the employer/employee contribution amounts shall be reviewed based upon the ratios stated in Section 8 above, changes in insurance benefits or plan design, and to adjust for any deficit or surplus in the reserve balance in Fund 9106.


Section 11: All previous resolutions in conflict with this resolution are hereby repealed.

This Resolution adopted this 16th day of October, 2018.

APPROVED:


Mayor

ATTEST:


City Clerk

Approved as to form:


No publication required