



# City of Maricopa

## Legislation Text

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**File #:** RES 16-35, **Version:** 1

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A Resolution of the Mayor and City Council of the City of Maricopa, Arizona accepting membership in the Arizona Metropolitan Trust and authorizing the City Manager to execute any documents necessary to complete such membership. **Discussion and Action.**

**Background** - The City has been enrolled with Cigna for medical, life and dental insurance since 2014. The current two-year contract is scheduled to expire on December 31, 2016.

**Discussion** - The renewal rate for Cigna was higher than anticipated, which prompted staff to review additional options for the City's employee benefit plans. Staff reviewed two trust plan options in addition to potential plan designs with Cigna to reduce costs and stay within budget. Enrollment in a trust is expected to reduce our operating expenses, and smooth fluctuations in premiums year to year, while maintaining employer control and flexibility. The City Manager would be a member of the Board of Trustees, and would have a voice in the decisions made by the Board on behalf of the Trust regarding funding and benefit options.

Arizona Metropolitan Trust offers Blue Cross/Blue Shield as the medical provider, Delta Dental for the dental plan, and Securian for life insurance and Accidental Death and Dismemberment. We would also transition our flexible spending account and COBRA administration to the providers that the Trust has contracted.

Staff would like to move to a more robust and customer service oriented Health Savings Account bank, namely Health Equity. This move would save the City approximately \$5000 in fees, but more importantly, this bank provides additional educational and investment tools not currently offered.

Staff recommends the City approve this resolution to join the Arizona Metropolitan Trust. The Trust will provide the full array of employee benefit plans including, medical, dental, life, COBRA and Flexible Spending Account administration. The City is required to commit to the trust for three years, and every three years will have the option to continue or discontinue membership. The other members of the Arizona Metropolitan Trust pool currently include the following agencies: Apache Junction, Avondale, Pinal County, El Mirage, Youngtown, and Buckeye and Sun City Fire Districts.