

**RESOLUTION NO. 2021- 2811**

**A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, APPROVING EMPLOYEE HEALTH BENEFITS CONTRACTS FOR FISCAL YEAR 2021/2022 WITH CIGNA FOR EMPLOYEE HEALTH INSURANCE AND DENTAL AND VISION COVERAGE, MUTUAL OF OMAHA FOR LIFE AND DISABILITY INSURANCE, AND AMERIFLEX FOR FLEXIBLE SPENDING ARRANGEMENT (FSA) BENEFIT SERVICES, HEALTH REIMBURSEMENT AGREEMENT (HRA) SERVICES, AND COBRA ADMINISTRATION; AUTHORIZING THE TOWN MANAGER TO ENTER INTO ANY NECESSARY AGREEMENTS WITH CIGNA, MUTUAL OF OMAHA, AND AMERIFLEX FOR THE RESPECTIVE SERVICES; PROVIDING FOR IMPLEMENTATION; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the Town of Surfside (the “Town”) continues to work with Adams Benefit (“Adams Benefit”) as its insurance agent of record for employee health, dental, vision, life insurance, disability and other related benefit programs; and

**WHEREAS**, the Town worked with Adams Benefit to renegotiate existing plans or find an acceptable alternative plan from alternative carriers, with the result of maintaining a zero percent (0%) renewal rate increase from the previous year; and

**WHEREAS**, the Town Commission wishes to (i) select Cigna for employee health insurance and dental and vision coverage, (ii) continue with Mutual of Omaha for life and disability insurance, and (iii) select Ameriflex for flexible spending arrangement (FSA) benefit services, health reimbursement agreement (HRA) services, and COBRA administration, all as set forth in the Commission Communication memorandum presented with this Resolution; and

**WHEREAS,** the Town Commission further wishes to authorize the Town Manager to execute any necessary agreements with Cigna, Mutual of Omaha, and Ameriflex for the respective insurance services; and

**WHEREAS,** the Town Commission finds that the insurance providers and programs selected and this Resolution are in the best interest and welfare of the employees of the Town.

**NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, AS FOLLOWS:**

**Section 1.    Recitals Adopted.** Each of the above stated recitals are hereby adopted, confirmed and incorporated herein.

**Section 2.    Approval of Insurance Providers.** The Town Commission hereby approves and selects for Fiscal Year 2021/2022: (i) Cigna for employee health insurance and dental and vision insurance; (ii) Mutual of Omaha for life and disability insurance; and (iii) Ameriflex for flexible spending arrangement (FSA) benefit services, health reimbursement agreement (HRA) services, and COBRA administration; all as set forth in the Commission Communication Memorandum presented with this Resolution.

**Section 3.    Authorization.** The Town Manager is hereby authorized to execute any necessary agreements with: (i) Cigna for employee health insurance and dental and vision insurance; (ii) Mutual of Omaha for life and disability insurance; and (iii) Ameriflex for flexible spending arrangement (FSA) benefit services, health reimbursement agreement (HRA) services, and COBRA administration; in accordance with the terms and conditions as set forth in the Commission Communication Memorandum, and subject to the approval of the Town Manager and Town Attorney as to form, content, and legal sufficiency.

**Section 4. Implementation.** The Town Manager and the Human Resources Director are authorized to take all action necessary to implement the purposes of this Resolution and the employee health benefits and insurance programs detailed in the Commission Communication Memorandum presented with this Resolution.

**Section 5. Effective Date.** This Resolution shall be effective immediately upon adoption.

**PASSED AND ADOPTED** on this 14<sup>th</sup> day of September, 2021.

Motion By: Vice Mayor Paul

Second By: Commissioner Velasquez

**FINAL VOTE ON ADOPTION:**

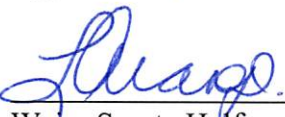
Commissioner Charles Kesl	<u>Absent</u>
Commissioner Eliana R. Salzhauer	<u>Yes</u>
Commissioner Nelly Velasquez	<u>Yes</u>
Vice Mayor Tina Paul	<u>Yes</u>
Mayor Charles W. Burkett	<u>Yes</u>

  
\_\_\_\_\_  
Charles W. Burkett, Mayor

Attest:

  
\_\_\_\_\_  
Sandra N. McCready, MMC  
Town Clerk

Approved as to Form and Legal Sufficiency:

  
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Weiss Serota Helfman Cole & Bierman, P.L.  
Town Attorney



# MEMORANDUM

ITEM NO.

**To:** Honorable Mayor, Vice-Mayor and Members of the Town Commission  
**From:** Andrew Hyatt, Town Manager  
**Date:** September 14, 2021  
**Subject:** Employee Health Benefits Contract Renewal for FY 2022

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The contract with UnitedHealthcare (Health), Guardian (Dental and Vision), and Mutual of Omaha (Life, Short-Term Disability and Long Term-Disability), Assure (HRA and FSA) and COBRA will expire on September 30, 2021.

Adams Benefit, the Town's insurance agent of record for employee health, disability, life, dental, vision and all other related benefit programs was directed by the Human Resources Director, Yamileth Slate-McCloud, to renegotiate the existing plan or find an acceptable alternative plan from another carrier, with the goal of keeping the cost increase to the lowest level possible, while minimizing the impact to our employee coverage.

UnitedHealthcare's initial proposal represented a 11.7% increase; later reduced to a 0% increase. Staff reviewed proposals from UnitedHealthcare, Humana, Blue Cross Blue Shield, Cigna, MET Life, Principal, Guardian, and determined that changing carriers for our health from UnitedHealthcare to Cigna and for our dental and vision from Guardian to Cigna is the best option for the Town and employees. It was also determined that changing our FSA, HRA, and COBRA administrator from Asure to Ameriflex is the best option.

The health insurance rate increase last fiscal year was 0% and has ranged from 4.9% to 10.0% over the last 5 years. The average medical inflation rate is 9.4%.

The results of the negotiation as follows:

Cigna Health: 0% rate increase and \$100,531.58 reduction from current rate.

Cigna (Dental and Vision): 0% rate increase and additional 1% medical discount for bundling coverages.

**Mutual of Omaha**  
**(Life Insurance, Short and**  
**Long Term Disability):** 0% renewal rate increase currently on rate lock guarantee.

**Employee Assistance Program (EAP):** Integrated with Mutual of Omaha.

**Ameriflex (COBRA/fees):** Paid by broker, Adams Benefit.

**Ameriflex (FSA, HRA):** To manage the Flexible Spending Accounts (FSA) and Health Reimbursement Arrangement (HRA) with a 0% rate increase.

This action represents a budgetary savings from the preliminary FY 2022 budget of \$180,000 and \$126,500 in savings from the FY 2021 premium.

Town Administration recommends that the Town Commission adopt the attached resolution approving the group health, dental and vision with Cigna, term life insurance, accidental death, short-term disability and long-term disability with Mutual of Omaha, and the flexible spending, HRA administration, and COBRA with Ameriflex. The Benefits Summary for each carrier is included in the package, (Attachment A to the Resolution).

Reviewed by JDG

Prepared by YSM