

37 WHEREAS, The City received several attractive proposals from private health
38 insurance companies which were evaluated by the consultant, the City, and the Employee
39 Committee and all agreed that the best proposal was the one submitted by Premera Blue
40 Cross; and

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42 WHEREAS, The Premera Blue Cross proposal would reduce total health care costs by
43 approximately 30 percent or \$600,000 over projected 2015 self-insured plan costs and
44 provide insurance coverage that is better overall than the existing plan; and

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46 WHEREAS, Memorandum 14-159 contains a recommendation that the Council move
47 away from the self-insured plan to a fully insured plan with a private sector insurance
48 company, accept the proposal from Premera Blue Cross, and approve a new two year
49 contract; and

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51 WHEREAS, The Employee Committee had a two hour presentation and discussion with
52 Jeff Paxton of Mercer, reviewed the benefit coverage and cost projections for the current
53 plan, and reviewed the proposals submitted, and concurs with this recommendation.

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55 NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby finds that it is
56 in the best interest of the City to extinguish the self-insured employee health insurance plan.

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58 BE IT FURTHER RESOLVED that the Council hereby accepts the proposal from Premera
59 Blue Cross, approves a new two year contract based upon the proposal with a term beginning
60 on January 1, 2015, and authorizes the City Manager to execute the appropriate documents.

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62 BE IT FURTHER RESOLVED that the Council authorizes the City Manager to draft an
63 ordinance amending HCC 3.05.043.

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65 PASSED AND ADOPTED by the Homer City Council this 27th day of October, 2014.

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67 CITY OF HOMER

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71 MARY E. WYTHE, MAYOR

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75 ATTEST:

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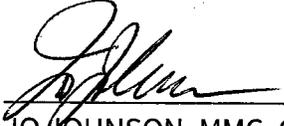
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JO JOHNSON, MMC, CITY CLERK

Fiscal Note: \$600,000 reduction over projected 2015 self-insured plan costs.

