



STAFF REPORT

CITY of YORBA LINDA

ADMINISTRATION DEPARTMENT

DATE: OCTOBER 19, 2021

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: MARK PULONE, CITY MANAGER
PREPARED BY: DAVID ALBAUGH, HUMAN RESOURCES & RISK MANAGER

SUBJECT: APPROVAL OF CICC'S HEALTH AND WELFARE TRUST PARTICIPATION AGREEMENT

RECOMMENDATION

It is recommended that the City Council authorize the City Manager to execute an agreement with the Coalition for Controlling Insurance Costs in California Schools (CICCS) Trust for the provision of employee vision benefits.

BACKGROUND

The City of Yorba Linda offers vision insurance benefits to full-time employees and their dependents, to permanent part-time employees who opt into the insurance coverage and pay the group insurance rate out of pocket, and to retirees who are eligible for retiree medical coverage. This benefit is currently provided by EyeMed Vision through a contract expiring December 31, 2021.

The City's insurance broker, Keenan and Associates (Keenan), provided the City with the option of a four-year renewal contracting directly with EyeMed Vision at a cost increase of 2.52% above the current rate. Alternatively, Keenan presented the City with the option of joining the CICCS Trust as a participating agency and obtaining the same EyeMed Vision coverage and benefits at a rate 7.92% below the current contract rate.

The CICCS Trust was established in 2014 to provide health and welfare benefits to the employees, retired employees, and to their respective eligible dependents of participating public agencies at reasonable costs by pooling risk and purchasing power. Membership is open to all California public employers, including school districts, community college districts, municipalities, and special districts. Participating agencies must submit the monthly reporting and corresponding contributions to the Trust by the tenth of each month in a manner consistent with the current EyeMed Vision agreement, and there is no additional administrative burden for City staff. In addition, the City may terminate participation in the CICCS Trust on or before June 30th of any year by delivering a notice of termination after an initial two-year commitment, allowing the City to continue to monitor and adjust to the most cost-effective benefits solutions.

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FISCAL IMPACT

Joining the CICCS at the pool rate will allow the City to avoid the 2.52% increase for renewing the existing contract, and to realize an additional 7.92% rate reduction each of the next two years. The net change to the City is a savings of \$3,793.08 per year for calendar years 2022 and 2023.

ALTERNATIVES

Do not approve the CICCS Trust, and the City will renew our existing benefits contract for a four-year term at a 2.52% increase effective January 1, 2022, a net increase of \$897.48 a year for calendar years 2022-2025.

ATTACHMENTS

1. CICCS Participation Agreement
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