Chandler • Arizona
Where Values Make The Difference

PURCHASING ITEM FOR COUNCIL AGENDA

1. Agenda Item Number: 20

2. Council Meeting Date: September 15, 2016

TO: **MAYOR AND COUNCIL**

THROUGH: **CITY MANAGER**

3. Date Prepared: August 31, 2016

4. Requesting Department: Administrative Services

5. SUBJECT: CY 2017 Amendment to Agreement for Public Safety Personnel Long-Term Disability Insurance

6. RECOMMENDATION: Staff recommends City Council approve CY 2017 Amendment to the Agreement with Anthem Life Insurance Company, for the long-term disability insurance benefit for public safety personnel, in an amount not to exceed $145,000, for one year, January 1, 2017, through December 31, 2017.

7. BACKGROUND/DISCUSSION: The City provides a long-term disability insurance benefit for public safety personnel as a piece of the public safety employee benefits package. The benefit is paid by the City.

8. EVALUATION PROCESS: City staff reviews the employee benefits package each year with the assistance of an employee benefits consulting firm. The long-term disability insurance is designed to assist public safety personnel to help replace income in the event of a long-term illness. This contract has been in effect since 2004.

Staff recommends extension of this agreement for the term of January 1, 2017, through December 31, 2017.

9. FINANCIAL IMPLICATIONS:

Cost: Not to Exceed $145,000

This City funded insurance benefit is paid from all cost centers across all Funds where employees reside. The funds are then collected in the Payroll Clearing liability account to pay the total amount due to the Insurance Company.

Acct. No.:	Fund Name:	Program Name:	Amount:
901.0000.2457.0.0.0	Payroll Clearing	Employee Benefits	$145,000

10. PROPOSED MOTION: Move City Council approve CY 2017 Amendment to the Agreement with Anthem Life Insurance Company, for the long-term disability insurance benefit for public safety personnel, in an amount not to exceed $145,000, for one year, January 1, 2017, through December 31, 2017.

Attachments: Amendment

APPROVALS

11. Requesting Department

Lynna Soller, Benefit Program Manager

13. Department Head

Debra Stapleton, Administrative Services Director

12. Purchasing Manager

Christina Pryor

14. City Manager

Marsha Reed

CALENDAR YEAR 2017
AMENDMENT TO THE CONTRACT
PROVIDING LONG-TERM DISABILITY INSURANCE
TO PUBLIC SAFETY PERSONNEL
BETWEEN THE CITY OF CHANDLER AND
ANTHEM LIFE INSURANCE COMPANY

This Amendment ("Calendar Year 2017 Amendment"), is made and entered this 18th day of July, 2016 to the *Contract Providing Long-Term Disability Insurance to Safety Personnel at City of Chandler Between the City of Chandler and Anthem Life Insurance Company*, dated January 1, 2004 ("Contract").

WHEREAS, the City of Chandler ("City") and Anthem Life Insurance Company ("Contractor") entered into a Contract effective January 1, 2004, and have subsequently extended that Contract, subject to the same terms and conditions as the initial Contract for the terms January 1, 2005 through December 31, 2005; for Calendar Years 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014 and 2015 subject to certain amendments; and for January 1, 2016 through December 31, 2016 by the *Calendar Year 2016 Amendment to the Contract Providing for Long Term Disability Insurance to Public Safety Personnel Between the City of Chandler and Anthem Life Insurance Company*; and

WHEREAS, the City and Anthem Life Insurance Company want to extend this Contract, as amended in 2016, for the term January 1, 2017 through December 31, 2017.

NOW, THEREFORE, in consideration of the mutual covenants and provisions contained herein and other good and valuable consideration, the parties do agree as follows:

1. The term of the Contract is extended for the term from January 1, 2017 through December 31, 2017.

2. The Exhibit B of the Contract, titled Fee Schedule, shall continue to state: "36 cents per $100 of payroll."

3. Except for the provisions amended by item 1 above, the Contract as amended by the *Calendar Year 2016 Amendment to the Contract Providing for Long Term Disability Insurance to Public Safety Personnel Between the City of Chandler and Anthem Life Insurance Company* shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this *Calendar Year 2017 Amendment to the Contract Providing Long-Term Disability Insurance to Public Safety Personnel Between the City of Chandler and Anthem Life Insurance Company* to be duly executed this 18th day of July, 2016.

CITY OF CHANDLER,
an Arizona municipal corporation

By: _____
Mayor

APPROVED AS TO FORM:

_____
City Attorney CH

ATTEST:

_____
City Clerk

ANTHEM LIFE INSURANCE COMPANY

By: _____
Title: President

ATTEST: (If corporation)

_____
Secretary