



**PURCHASING ITEM
FOR
COUNCIL AGENDA**

1. Agenda Item Number: 21
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 Life Insurance

6. RECOMMENDATION: Staff recommends City Council approve CY 2017 Amendment to the Agreement with Voya Financial, for life insurance, in an amount not to exceed \$775,000, for one year, January 1, 2017, through December 31, 2017.

7. BACKGROUND/DISCUSSION: The City provides a life insurance benefit as a piece of the employee benefits package. The basic life and accidental death and dismemberment (ADD) insurance is funded by the City, and all optional coverage is funded by the employee based on the benefit selected.

8. EVALUATION PROCESS: City staff reviews the employee benefits package each year with the assistance of an employee benefits consulting firm. This benefit provides basic life and ADD insurance, and optional life insurance for spouses and dependent children to benefit eligible classes. This Agreement has been in effect since January 1, 2012.

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

9. FINANCIAL IMPLICATIONS:

Cost: Not to Exceed \$775,000

Each type of life insurance is funded differently depending on whether it is the City provided benefit or the optional benefit. The City funded Basic and ADD benefit is paid from all cost centers across all Funds where employees reside. The Optional Voluntary Term portion is paid from the employees' earnings that opt for this coverage. In both cases, the funds are collected in the Payroll Clearing liability account to pay the total amount due to the Insurance Company. Retirees can also opt for this coverage and this amount is collected in the General Fund liability account and paid to the Insurance Company.

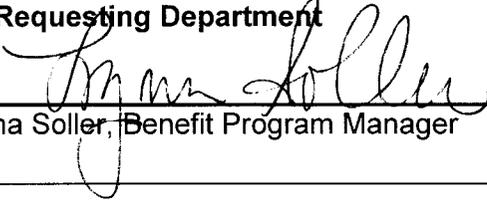
<u>Acct. No.:</u>	<u>Fund Name:</u>	<u>Program Name:</u>	<u>Amount:</u>
901.0000.2452(Basic, ADD)	Payroll Clearing	Employee Benefits	\$775,000
901.0000.2450 (Vol Term)	Payroll Clearing	Employee Benefits	
101.0000.2417 (Retiree)	General Fund	Employee Benefits	

10. PROPOSED MOTION: Move City Council approve CY 2017 Amendment to the Agreement with Voya Financial, for life insurance, in an amount not to exceed \$775,000, for one year, January 1, 2017, through December 31, 2017.

Attachments: Amendment

APPROVALS

11. Requesting Department



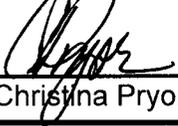
Lynna Soller, Benefit Program Manager

13. Department Head



Debra Stapleton, Administrative Services Director

12. Purchasing Manager



Christina Pryor

14. City Manager



Marsha Reed

**CALENDAR YEAR 2017 AMENDMENT TO MEMORANDUM OF
AGREEMENT BETWEEN THE CITY OF CHANDLER AND
RELIASTAR LIFE INSURANCE COMPANY d/b/a VOYA
FINANCIAL (PREVIOUSLY) d/b/a ING EMPLOYEE BENEFITS**

This Amendment ("Calendar year 2017 Amendment"), is made and entered this 15th day of July, 2016, to the *Memorandum of Agreement Between the City of Chandler and Reliastar Life Insurance Company d/b/a ING Employee Benefits for Group Life Insurance*.

WHEREAS, the City of Chandler ("City") and Reliastar Life Insurance Company dba ING Employee Benefits ("Company") entered into a Memorandum of Agreement (Agreement) effective January 1, 2012 with an initial term ending December 31, 2014; and extended the Agreement for the term from January 1, 2015 through December 31, 2015 subject to certain amendments. The parties again extended the Agreement subject to certain Amendments through the *Calendar Year 2016 Amendment to Memorandum of Agreement Between the City of Chandler and Reliastar Life Insurance d/b/a ING Employee Benefits* ("CY2016 Amendment"), incorporated herein by this reference; and

WHEREAS, the Calendar Year 2015 Amendment incorporated a notice which stated that Reliastar Life Insurance Company which had been doing business as both "ING U.S." and "Voya" throughout 2014, would be doing business under the name "Voya Financial," a trademarked name, as of January 1, 2015; and

WHEREAS, Company has agreed to maintain all rates for basic life insurance, supplemental life insurance, and accidental death and dismemberment insurance at the current rates for calendar year 2016 and 2017, so long as city continues to renew this Contract each year.

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

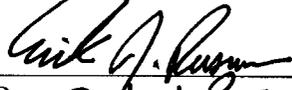
1. The Agreement is extended for the term of January 1, 2017 through December 31, 2017.
2. The Parties agree that Company shall continue to provide these services at the rates set forth in the Agreement for the term beginning January 1, 2017 through December 31, 2017.
3. Except for the provisions amended by items 1, and 2, above the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this *Calendar Year 2017 Amendment to the Memorandum of Agreement Between the City of Chandler and Reliastar Life Insurance Company d/b/a ING Employee Benefits* to be duly executed this 15th day of July, 2016.

CITY OF CHANDLER
an Arizona municipal corporation

RELIASTAR LIFE INSURANCE
COMPANY d/b/a ING Employee
Benefits, ING U.S. and Voya
Financial:

By: MAYOR



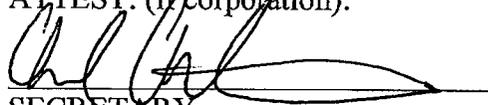
By: Erik J. Rasmussen

APPROVED AS TO FORM:

Title: Vice President

ATTEST: (if corporation):

CITY ATTORNEY *CH*



SECRETARY

ATTEST:

CITY CLERK