

**ZEBULON  
BOARD OF COMMISSIONERS  
WORK SESSION  
AGENDA  
November 18, 2020  
7:00pm**

**I. APPROVAL OF AGENDA**

**II. NEW BUSINESS**

*A. Administration*

1. Insurance Renewal

**III. OLD BUSINESS**


*A. Parks and Recreation*

1. Master Plan Update
2. Farm Fresh Market

**IV. CLOSED SESSION**

- A. As permitted by NC GS §143-318.11(a)(5) - for the purpose of property acquisition

**Topic: 2021 Insurance Proposal and Renewal**

Speaker: Bobby Fitts - Finance Director and Lisa Markland – HR Director  
introducing  
John Gasiorowski and Paul Sydor - IBA  
From: Bobby Fitts, Finance Director and Lisa Markland, HR Director  
Prepared by: Bobby Fitts, Finance Director and Lisa Markland, HR Director  
Approved by:  Joseph M. Moore II, PE, Town Manager

**Executive Summary:**

The Board will consider insurance quotes to carry the 2021 Benefits Plan.

**Background:**

The Town renews employee benefit plans on January 1 each year. The process of renewing insurance has been handled by Debnam Insurance, acting as the broker for the Town, for over 25 years.

This year the Town requested proposals from broker/consultants to assist in managing the Town insurance. The request included health, dental, vision, life, wellness and long term disability information, and how the broker/consultant could partner with the Town, to secure better benefits and competitive pricing. Independent Benefits Advisors (IBA) was selected to be the Town's partner and representative in negotiating with the insurance companies.

Currently, the Town offers medical, dental, basic life and accidental death and dismemberment (AD&D) insurance for the employees. Vision is a voluntary benefit available to the employee at their own cost. Providing vision as a paid benefit for employees is not uncommon.

The current basic life insurance and AD&D benefit for employees is \$25,000. This has been the benefit for over 25 years. The industry standard for municipalities is 1 x the annual salary for employees.

**Discussion:**

The Discussion before the Board is what plan provides the most effective and efficient coverage.

**Fiscal Analysis:**

General Summary

- A 10% increase was included in this year's budget (\$22,000)

HEALTH

- UHC proposed a 6% rate increase from the current employee rate
- IBA, negotiated to keep UHC at a 0% rate increase

**DENTAL**

- IBA went out to market for dental insurance
- *Delta Dental* came back with 0.7% decrease in rates
- Delta proposed better benefits including brush biopsy for cancer screening and a premium holiday meaning the Town would receive a free month of service.

**VISION**

- IBA went out to market for vision insurance
- *Superior Vision* came in with a 0% increase in rates and substantially enhanced benefits
- This is an increase to the Town budget of \$6000 since the Town has not previously paid for this benefit (\$7.26/employee/month)

**LIFE & AD&D INSURANCE**

- IBA went out to market for life and AD&D insurance
- USABLE is the current insurer at \$0.25 per \$1000 benefit
- Quotes were received from Unum and Hartford
- Hartford's quote was the lowest at \$0.19 per \$1000 benefit for the proposed 1 x the annual salary up to \$135,000 (an increase of \$3,102)

- Through negotiated reductions, the enhanced benefits are within budget.

**Policy:**

Continuing to provide better benefits to our employees has always been the Town's goal and is in keeping with the Family Core Value of "supporting our families at home, work and in the community". This also meets the goal of the 2030 Strategic Plan of growing smart by using the savings to grow the benefits offered to employees so that we can recruit and retain high quality employees. The financial savings achieved by IBA negotiating on the Town's behalf makes it possible to reinvest it in our employees by enhancing the benefits the Town provides.

**Staff Recommendation:**

Staff recommends the following be a paid insurance benefit for Town employees for 2021:

- UnitedHealthCare for medical insurance – no increase
- Delta Dental insurance – decrease of 0.7%
- Superior Vision insurance – increase of \$7.26/employee/month
- Hartford Life and AD&D insurance – increase to 1 x annual salary up to \$135,000

**Attachments:**

None