



**ARDEN HILLS**  
**MEMORANDUM**

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**DATE:** November 14, 2022  
**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Dave Perrault, City Administrator  
**SUBJECT:** Approve Health Partners for Non-Union Medical Insurance

**Budgeted Amount:**  
N/A

**Estimated Amount:**  
N/A

**Funding Source:**  
N/A

**Council Should Consider**

Motions to approve, table, or deny the following:

- Authorization for the City Administrator to Enter into a Contract for Medical Insurance for Non-Union Employees for 2023

*All items need a simple majority for action unless otherwise noted.*

**Background**

The City of Arden Hills has used the Public Employees Insurance Program (PEIP) as their provider for health insurance since 2019. As the City was going through its renewal process, the City was notified that PEIP rates were expected to increase by almost fifty percent in 2023, resulting in an approximate thirty-one percent overall budget increase for health insurance. The City requested its benefit consultant to obtain new quotes for health insurance, which were discussed by the City Council at a special City Council Work Session on October 24<sup>th</sup>. The City Council directed Staff to move forward with a proposal received by Health Partners, which will offer a similar Health Savings Account plan, but result in a lower increase (seventeen percent) than the PEIP option. The memo from the special Work Session is attached for reference. This approval will allow the City Administrator to move forward in submitting necessary paperwork to the respective health insurance carriers in preparation for the 2023 benefit period. Actual City Contribution amounts to employees and employee costs will be approved at the December meeting, similar to previous years. Council also directed Staff to bring forward language amending the Personnel Policy to include an “opt out” option for eligible employees, this will be brought forward as a separate item on the agenda.

## **Budget Impact**

The impact to the 2023 budget for benefits is anticipated to be approximately seventeen percent higher than 2022; budget projections and impacts will be included for Council review at its November Work Session and December Council meeting.

## **Attachments**

Attachment A: October 24<sup>th</sup> Special City Council Work Session Benefit Memo