

ORDINANCE NO. 1487

AN ORDINANCE TO AUTHORIZE A CONTRACT WITH THE STATE OF TENNESSEE LOCAL GOVERNMENT HEALTH INSURANCE PLAN FOR HEALTH INSURANCE AND RELATED COVERAGES FOR CITY EMPLOYEES AND OFFICIALS FOR A PERIOD OF TWENTY-FOUR (24) CONSECUTIVE MONTHS AS REQUIRED BY THE PLAN

Whereas the City of Manchester is a “large employer,” as defined by the Affordable Care Act, PL-111-148; and

Whereas large employers are required to share the responsibility of the cost of health insurance for their employees or incur fees, penalties or taxes; and

Whereas the City of Manchester has considered its various options and found participation in the State of Tennessee Local Government Health Insurance Plan to be the most advantageous for the City, its employees and officials; and

Whereas the initial premium rates are set forth in the letter dated May 27, 2016 addressed to Lonnie Norman and Ryan French, attached as Exhibit “A,” which is incorporated herein by reference; and

Whereas participation in the Local Government Health Insurance Plan requires the City to enter into the Memorandum of Understanding, which is attached hereto as Exhibit “B,” which, among other requirements, mandates the City participate in the Plan for a period of twenty-four (24) consecutive months; and

Whereas the City of Manchester believes it in the best interest of the City that, until amended, City employees share the cost of the respective coverages, as follows:

	<u>Partnership</u> % City/%Employee	<u>Standard</u> % City/%Employee	<u>Limited</u> % City/%Employee	<u>Health Savings/CDHP</u> % City/%Employee
Employee only	<u>50/50</u>	<u>50/50</u>	<u>90/10</u>	<u>85/15</u>
Employee & children	<u>50/50</u>	<u>50/50</u>	<u>75/25</u>	<u>70/30</u>
Employee & spouse	<u>50/50</u>	<u>50/50</u>	<u>75/25</u>	<u>70/30</u>
Employee, spouse & children	<u>50/50</u>	<u>50/50</u>	<u>75/25</u>	<u>70/30</u>

and that for employees selecting the Health Savings CDHP, the City contribute to the employee’s Health Savings Account the following annual amounts to be contributed on a monthly basis:

<u>Category of Coverage</u>	<u>Amount</u>
Employee only	<u>\$300.00</u>
Employee & children	<u>\$500.00</u>
Employee & spouse	<u>\$500.00</u>

Employee & spouse & children \$500.00

and;

Whereas the Charter of the City of Manchester and Manchester Municipal Code 5-703(4) require any contract obligating the City in excess of \$25,000 be approved by ordinance.

BE IT THEREFORE ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF MANCHESTER, TENNESSEE that the City of Manchester enter into a contract with the State of Tennessee Local Government Insurance Plan to provide medical insurance coverage and related coverages to City employees and officials in accordance with the eligibility requirements of the Plan; the Plan document and the Memorandum of Understanding attached hereto as Exhibit "B."

BE IT FURTHER ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF MANCHESTER, TENNESSEE that the Mayor and Finance Director are authorized to execute on behalf of the City the Memorandum of Understanding and any other document necessary or convenient to effect the intent of this ordinance.

BE IT FURTHER ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF MANCHESTER, TENNESSEE that the costs of the respective coverage levels shall be apportioned between the City and its employees, as follows:

	<u>Partnership</u> % City/%Employee	<u>Standard</u> % City/%Employee	<u>Limited</u> % City/%Employee	<u>Health Savings/CDHP</u> % City/%Employee
Employee only	<u>50/50</u>	<u>50/50</u>	<u>90/10</u>	<u>85/15</u>
Employee & children	<u>50/50</u>	<u>50/50</u>	<u>75/25</u>	<u>70/30</u>
Employee & spouse	<u>50/50</u>	<u>50/50</u>	<u>75/25</u>	<u>70/30</u>
Employee, spouse & children	<u>50/50</u>	<u>50/50</u>	<u>75/25</u>	<u>70/30</u>

BE IT FURTHER ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF MANCHESTER, TENNESSEE that the City will contribute to the Health Savings Account of any employee selecting the Health Savings CDHP Plan, as follows:

<u>Category of Coverage</u>	<u>Amount</u>
Employee only	<u>\$300.00</u>
Employee & children	<u>\$500.00</u>
Employee & spouse	<u>\$500.00</u>
Employee & spouse & children	<u>\$500.00</u>

BE IT FURTHER ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF
THE CITY OF MANCHESTER, TENNESSEE that this ordinance shall take effect on and after
its publication and passage, the public welfare of the City of Manchester, Tennessee requiring it.

PASSED FIRST READING: June 7, 2016

PASSED SECOND READING: June 9, 2016

PASSED THIRD AND FINAL READING: June 22, 2016

Signatures on file