

Reply to Common Council File No. 070307  
From DOA-Budget and Management Division

January 8, 2009

Ref: 07011

Common Council File 070307 contains a resolution authorizing the Department of Employee Relations to enter into a contract extension with Standard Insurance for Long Term Disability benefits.

The contract extension calls for an increase in city costs from \$0.36 per \$1,000 of wages to \$0.45 per \$1,000 of wages. This is a 25% increase that translates into an increase in cost of \$161,000. The 2008 budget request of \$640,000 will be increased to \$801,000.

For the employee buy downs from the city level of 180 days, the 120 day option will remain at \$0.09 per \$1,000 of wages, the 90 day will increase from \$0.13 to \$0.19 per \$1,000 of wages and the 60 day will increase from \$0.68 to \$1.09 per \$1,000 of wages. These buy down amounts are paid by the employee.

**RECOMMENDATION: ADOPT COMMON COUNCIL RESOLUTION 070307 THAT AUTHORIZES THE DEPARTMENT OF EMPLOYEE RELATIONS TO ENTER INTO A CONTRACT EXTENSION WITH STANDARD INSURANCE FOR LONG TERM DISABILITY BENEFITS.**

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Dennis A. Yaccarino  
City Economist

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