

Reply to Common Council File No. 020469

From DOA-Budget and Management Division

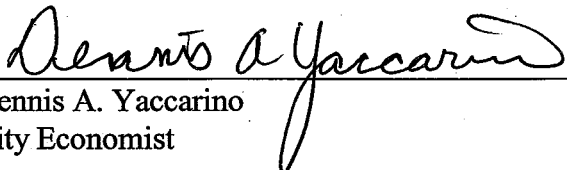
July 2, 2002

Ref: 02013(41)

As a compromise in 2001, it was agreed that increasing the management employee share of the basic plan cost would be done over a four-year period. This is the third year of that decision. The attached resolution 020469 will implement this agreement. The resolution also sets the 2004 basic plan rates for management at 100% of the lowest costing HMO.

For 2003, the rates for the basic plan for management employees would increase to close the gap between the lowest costing HMO and the basic plan by 50%. The basic plan rate for singles would increase from \$100 to \$136.40 per month. The basic plan for family member rate would increase from \$190 to \$249.22. The additional amount paid by management employees will produce savings of approximately \$100,000 in 2003.

RECOMMENDATION: ADOPT COMMON COUNCIL RESOLUTION 020469 SUBSTITUTE 1 THAT ESTABLISHES A RATE STRUCTURE FOR MANAGEMENT EMPLOYEES IN THE BASIC PLAN.



Dennis A. Yaccarino
City Economist

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