

**VILLAGE OF VERNON HILLS
ORDINANCE NO. 2017-118**

**AN ORDINANCE AUTHORIZING AN AGREEMENT WITH CIGNA AS A PROVIDER FOR THE
LEVEL FUNDED HEALTH INSURANCE, DENTAL AND VISION PLANS**

WHEREAS, the Village of Vernon Hills, County of Lake, State of Illinois ("*the Village*") is a duly organized and existing municipality and unit of local government created under the provisions of the laws of the State of Illinois, and is operating under the provisions of the Illinois Municipal Code; and

WHEREAS, the Village Board has determined that First Benefit Marketing of Illinois ("First Benefit") is well suited to act as the Village's Broker on behalf of the Village of Vernon Hills Employee Health, Dental and Vision Insurance Plans; and

WHEREAS, Village staff and First Benefit have explored alternatives for the provision of health, dental and vision insurance; and

WHEREAS, the Village Board determined that is in the best interest of the Village to purchase level funded health insurance coverage with Cigna with a 0% change from the prior year; and

WHEREAS, the Village Board determined that is in the best interest of the Village to purchase dental insurance coverage with Cigna at an overall increase of 4.0% over the prior year; and

WHEREAS, the Village Board determined that is in the best interest of the Village to purchase vision insurance coverage with Cigna, with administrative fees increasing by 3.0% from the prior year, with a two-year rate guarantee; and

WHEREAS, the Village Board has determined Cigna is well suited to act as the Village of Vernon Hills Employee Health, Dental and Vision Insurance Provider.

WHEREAS, expenditures over \$20,000 require Board of Trustees approval.

NOW THEREFORE BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF VERNON HILLS, LAKE COUNTY, ILLINOIS, AS FOLLOWS:

SECTION 1: APPROVAL AND EXECUTION OF AGREEMENT AND PAYMENTS: The Village Manager is hereby authorized to contract with Cigna as the Village of Vernon Hills Health, Dental and Vision Insurance Provider and to execute insurance payments in an amount of \$2,213,582 or proportionately greater, dental insurance payments of \$125,185 or proportionately greater, and vision insurance payments of \$31,050 or proportionately greater, dependent upon any incremental increase due to the addition of new employees for the period of December 1, 2017 through November 30, 2018; and

SECTION 2: APPROVAL OF HEALTH INSURANCE RATES: That the Village has determined that the monthly premiums for the Village of Vernon Hills Employee Health Insurance Plan are quoted at the following rates, subject to decrease based on the final broker commission: PPO at \$715.98 for single coverage, \$1,503.54 for employee plus spouse, \$1,360.37 for employee plus child, and \$2,147.92 be set for family coverage, the HMO be set at \$768.05 for single coverage, \$1,612.93 for employee plus spouse, \$1,459.32 for employee plus child and \$2,304.18 for family coverage and the high deductible PPO plan be set at \$656.79 for single coverage, \$1,379.29 for employee plus spouse, \$1,247.93 for employee plus child, and \$1,970.39 be set for family coverage; and

THAT, employees will pay 20% of the cost of the premium; and

THAT, eligible retirees will pay 100% of the premium unless they are under a special retirement program.

SECTION 3: APPROVAL OF DENTAL INSURANCE RATES: That the Village has determined that the monthly premiums for the Village of Vernon Hills Employee Dental Insurance Plan be \$48.69 for single coverage, \$96.79 for employee plus spouse, \$94.80 for employee plus child(ren), and \$155.94 for family coverage; and

THAT, employees will pay 25% of the cost of the premium; and

THAT, eligible retirees will pay 100% of the premium unless they are under a special retirement program.

SECTION 4: APPROVAL OF VISION INSURANCE RATES: That the Village has determined that the monthly premiums for the Village of Vernon Hills Employee Vision Insurance Plan be in the following amounts, or proportionately less, or greater, dependent on amounts required for claims funding: \$5.76 for single coverage, \$10.36 for employee plus spouse, \$10.46 for employee plus child(ren), and \$15.99 for family coverage; and

THAT, the Village will continue to pay 100% of the cost of the premium.

SECTION 5: EFFECTIVE DATE: This Ordinance shall be in full force and effect from its passage and approval.

SECTION 6: ORDINANCE NUMBER: This Ordinance shall be known as Ordinance Number 2017-118.

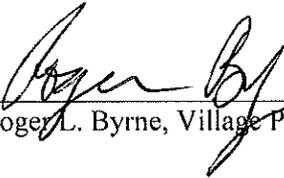
Dated this 7th day of November 2017

Adopted by roll call votes as follows:

AYES: 5 – Koch, Hebda, Marquardt, Oppenheim, Schultz

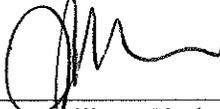
NAYS: 0 - None

ABSENT AND NOT VOTING: - 1 - Takaoka



Roger L. Byrne, Village President

PASSED: 11/7/2017
APPROVED: 11/7/2017
ATTEST: 11/8/2017



John M. Kalmar, Village Clerk