

**Fiscal Comments
Commission Meeting
September 10, 2024
Regular Meeting**

**Policy Report 24-03
Employee Benefit Plan Renewal
Effective December 1, 2024**

During the 2025 Operating Budget process the City Commission approved a 2025 Operating Budget that included an estimated 5% increase in health insurance premiums and 0% increase in dental and vision insurance premiums. During the budget process, these estimated premiums appeared reasonable because of the high increase we experienced in 2024 and a significant decrease in claims.

Unfortunately, staff underestimated the amount of the 2025 plan year increases. The final renewal bid from UHC for the health insurance plan, with no plan design changes, came in at a 9.9% premium increase. The vision and dental insurance renewal bids, with no plan design changes, came in at a 5% premium increase.

While it is impossible to determine the actual cost of the plans for the 2025 budget year until the year is over, the estimated increase in cost, from the approved 2025 budget, is approximately \$179,687. This estimated difference in cost will be spread over 11 different funds. The 2025 budget is designed to include “full employment,” meaning that the approved 2025 budget assumes 100% of all positions will be filled for the entire year. Some of the impacted funds will cover the increased cost of health insurance premiums through unplanned vacancies. The remaining funds have sufficient reserves to cover the increase in cost. The estimated impact to each fund, and the source of funds to cover the increased premiums, are listed below:

Fund	Estimated Increase in Premiums, over Approved 2025 Budget	Source of Funds to Cover Estimated Increase in Premiums
General Fund	\$130,819	Vacancies
Recreation Fund	\$11,700	Historical Tax Credits received in 2024
Eco Devo Fund	\$15	Reserves
Streets Fund	\$7,469	Vacancies
CVB Fund	\$1,591	Reserves
Probation Fund	\$1,567	Reserves
Sewer Fund	\$13,789	Vacancies
Refuse Fund	\$8,074	Vacancies
Planters II Fund	\$3022	Reserves
Section 8 Fund	\$823	Reserves
CDBG Fund	\$817	Reallocation of Federal Grant
Total Difference	\$179,687	

Staff recommends that the City Commission approved the UHC health insurance rate increase of 9.9%, the UHC vision insurance rate increase of 5%, and the Delta Dental insurance rate increase of 5%, to be effective December 1, 2024.

Policy Report No. FD # 2024-05
Fire Station No. 2 HVAC Replacement
Finance Project No. F2303

During the 2024 Operating Budget and 2024 – 2028 CIP Project Budget process the City Commission approved \$59,650 for the replacement of the HVAC system at Fire Station #2. The City published an RFP on July 17, 2024 for the Fire Station # 2 HVAC system replacement project. The bids were opened on August 6, 2024. The City received 2 bids for the project, as follows:

Bidder	Address	Base Bid
D'Agostino	4440 Oliver Street Kansas City, KS 66106-3763	\$48,900
Rand Construction Company	1428 W. 9 th Street Kansas City, MO 64101	\$48,646

The low bid from Rand Construction Company in the amount of \$48,646 is less than the amount budgeted for this project.

Staff recommends that the City Commission approve the base bid from Rand Construction for the replacement of the HVAC system and Fire Station # 2 in the amount of \$48,646.