

FINANCE COMMITTEE

14-0010R

RESOLUTION CREATING A WELLNESS ACCOUNT WITHIN THE CITY'S SPECIAL PROJECTS SPECIAL REVENUE FUND AND COMMITTING CERTAIN RESOURCES FOR IMPROVING THE WELLNESS OF CITY EMPLOYEES.

CITY PROPOSAL:

WHEREAS, the Duluth JPE Trust set dental rates at substantially reduced rates for 2014 due to accumulated plan net assets in excess of the amounts needed to fund dental plan costs. The reduced premium rates will result in substantial premium cost savings to the city for 2014; and

WHEREAS, the city desires, as part of its commitment to improve employee health, to establish a dedicated account within the special projects fund to pay for costs associated with employee wellness which will result in reduced future health care costs and reduced future health insurance premiums; and

WHEREAS, Governmental Accounting Standards Board Statement No. 54 requires the city council to take action to commit resources for a designated purpose.

NOW, THEREFORE, BE IT RESOLVED, by the Duluth City Council that a wellness account be created within the city's special projects special revenue fund (Fund 210-030-3151) to pay for costs associated with employee wellness.

BE IT FURTHER RESOLVED by the Duluth City Council that 2014 city employer dental premium cost savings estimated not to exceed \$200,000 be committed as the funding source for the newly created wellness fund.

Approved:



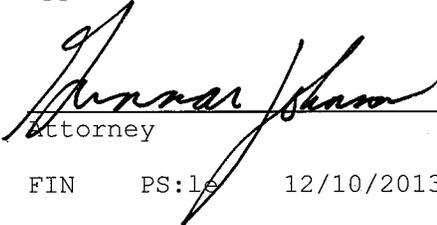
Department Director

Approved for presentation to council:



Chief Administrative Officer

Approved as to form:



Attorney

Approved:



Auditor

FIN PS:ls 12/10/2013

STATEMENT OF PURPOSE: This resolution creates a wellness fund to pay for costs associated with a wellness program to improve employee health and result in reduced health care costs to the city. The funding source for the wellness fund will be 2014 dental plan premium cost savings which are estimated to be \$200,000. Dental plan premium rates adopted by the Duluth JPE Trust for 2014 were significantly reduced because of excess dental plan reserves that accumulated over several years due to favorable dental claim costs. The city pays for dental plan premiums as specified in the various collective bargaining agreements. The wellness fund will be overseen by the wellness committee which is a subcommittee of the labor/management health insurance committee.