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MEMORANDUM

TO: Estero Councilmembers
FROM: Steve Sarkozy, Village Manager
DATE: October 26, 2016
RE: Health Care Coverage

Councilmembers:

To date, the Village has only offered health care coverage to the individual employee (not spouse or family members) and this issue has not been a problem due to the small size and unique composition of our staff. [Note: the Village Manager contract provides family coverage as part of the contract.] However, we have a changing workforce and the lack of family health care presents a situation where we are not competitive in the market. All other cities and County offer dependent health care.

Proposed is a modification of our Benefits Policy that would add spousal OR dependent child coverage, with the affected employee paying 25% of the total monthly cost from payroll deduction. This represents a small increase in costs and is recommended as the right thing to do, and necessary to maintain a competitive benefits structure. Funds needed for this benefit are estimated at less than \$12,000 per year initially and are readily available in the adopted budget.

[Of note, we anticipated a significant increase in our health care costs as other public agencies are seeing double digit increases on an annual basis. Some weeks ago we conducted a review of our health care insurance coverage and costs. Using a broker, we solicited proposals for our coverage and found that our coverage was generally good and the bidding effort resulted in only a 7% annual increase in costs. Apparently, our group has very low record of health care insurance usage.]

With a full time staff of only 6, it becomes critical that we be competitive with respect to benefits in order to recruit and retain high quality employees. Our proposal is comparable to other Lee County cities who are our competition with respect to staffing.

Proposal Village of Estero: 25% of Spouse or Child health insurance costs paid by Employee

Fort Myers: 30% Spouse or Child health insurance costs paid by Employee

Bonita Springs: 27%-4% Spouse or Child health insurance costs paid by Employee

Sanibel: 25%-20% Spouse or Child health insurance costs paid by Employee

Fort Myers Beach: 25% Spouse or Child health insurance costs paid by Employee

Thank you for your consideration of this matter.