



North Ogden City Memorandum

To: Mayor and City Council
From: Debbie Cardenas, Finance Director *DMC*
Date: 01/20/12
Re: Health and Dental Insurance Costs

Currently the City pays 90% of the insurance premiums for employees. This was passed in lieu of COLA, merit or wage increase.

As requested I have calculated what the savings to the City would be if the City paid 80% or as 70% of the insurance premiums. They are as follows

City Pays	Savings to City - General Fund
80% vs. 90%	\$ 56,463
70% vs. 90%	\$112,926

City Pays	Savings to City - Enterprise Fund
80% vs. 90%	\$ 16,883
70% vs. 90%	\$ 33,766

Impact to Employees

@ 80%	Cut in Pay	Cut in Pay at @70%
1employee	6.6%	13.20%
1employee	5.8%	11.60%
2 employees	5-5.5%	10-11%
11% of employees	4.5-5%	9-10%
22% of employees	4-4.5%	8-9%
16% of employees	3.5-4%	7-8%
9% of employees	3-3.5%	6-7%
7% of employees	2.5-3%	5-6%
9% of employees	2-2.5%	4-5%
7% of employees	1.5-2%	3-4%
9% of employees	1-1.5%	2-3%

This would negate most every Cola or merit increase in the past 5 years.