



MEMORANDUM

TO: Mayor and Council Members

FROM: Joya Hayes, Human Resources and Civil Service Director *JA*

THROUGH: Veronica Briseño, Assistant City Manager

DATE: September 26, 2022

SUBJECT: Response to CM Kitchen Budget Rider 3 Temporary Employee Dental

The purpose of this memorandum is to provide Council with an update on Council Member Kitchen's Budget Rider 3 regarding dental insurance for temporary employees who elect medical coverage.

During the FY23 budget process, staff provided Council with a cost estimate of \$70,022 as an increase to the budget if dental insurance were to be offered to temporary employees. In response to this budget rider, the Benefits Division of the Human Resources Department (HRD) surveyed current temporary employees who elect medical coverage to gauge interest in this expanded offering. The results were 98% of respondents saying they would elect dental if offered, with 2% declining interest.

This additional cost was not included during the actuary calculations, and funding of \$70,022 would be needed in order to provide this benefit. This cost estimation is based on current enrollment and does not factor in the future growth of this benefit. Future budget discussions will need to include temporary employee dental if it is the wish of the Council to provide it. There may be premium increases in coming years to consistently offer this benefit moving forward.

Due to system programming, contract requirements, open enrollment, and lack of funding, HRD is unable to launch this benefit immediately. HRD will include this benefit in the FY2024 budget proposal.