

Council Meeting of
November 6, 2012

SUPPLEMENTAL

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: City Manager – Supplemental Material to Item 12A

The attached supplemental material was submitted on November 5, 2012 by Dave Wallace, President, TME-AFSCME Local 1117 in regard to item 12 A – Selection of provider and Life/Accidental Death & Dismemberment and Disability Insurance for employees.

The current insurance provider requires a 30 day notice of termination before the expiration of the policy, and the implementation process for the new insurance provider requires a minimum of 60 days. A delay in the implementation date of January 1, 2013 will result in increased costs to the City as proposed by the current carrier Standard Insurance. The 2012-13 budget for these benefits is \$791,693. The potential cost increase to the City if the current insurance provider is retained would exceed the current budget by \$210,997 per year.

Respectfully submitted,

LeROY J. JACKSON
City Manager

By 
Leyta O. Fuentes
Human Resources Manager

CONCUR:


LeRoy J. Jackson
City Manager

Attachment: Letter from TME-AFSCME dated November 5, 2012.



AFSCME LOCAL 1117, AFL-CIO

TORRANCE MUNICIPAL EMPLOYEES

P.O. BOX 444, TORRANCE, CALIFORNIA 90508

November 5, 2012

Leyta Fuentes, Human Resources Manager
3231 Torrance Bl.
Torrance, Ca. 90503

Dear Ms. Fuentes:

TME- AFSCME Local 1117 is not in agreement with the City of Torrance switching providers of its Life, Short Term Disability Insurance and Long Term Disability insurance. The City has chosen to use Reliance Standard Insurance over Standard Insurance due to what it claims as increased insurance premiums. You called a meeting on October 17, 2012 simply to inform TME- AFSCME Local 1117 and various other employee groups of the City's decision and its plans to take it to the City Council for approval. On October 29, 2012 you set up a meeting to answer a few of our questions. Having said that, TME-AFSCME Local 1117 has not been an active participant in your selection of Reliance Standard or any other provider that has been chosen or considered to provide us with these benefits. TME-AFSCME Local 1117 has questions as well as input regarding this matter and respectfully requests that you not move forward without giving us the opportunity to jointly participate in this very important process.

Sincerely,

Dave Wallace, President TME-AFSCME Local 1117