

Introduced by: Mayor Pruhs and
Council Member Sprinkle
Introduced: October 23, 2023

RESOLUTION NO. 5087

**A RESOLUTION AWARDING A CONTRACT TO NATIONAL LIFE
GROUP/LIFE INSURANCE COMPANY OF THE SOUTHWEST TO
PROVIDE A SUPPLEMENTAL RETIREMENT PLAN FOR
COMMISSIONED FAIRBANKS POLICE DEPARTMENT OFFICERS**

WHEREAS, in accordance with FGC Chapter 54, Article V, Competitive Sealed Proposals, proposals were solicited for a permanent life insurance plan (RFP-23-14); and

WHEREAS, the most responsive bidder was National Life Group/Life Insurance Company of the Southwest in Montpelier, Vermont and Anchorage, Alaska; and

WHEREAS, the supplemental insurance plan will provide an annual payment of \$10,000 on behalf of full-time commissioned officers during their employment with the City as appropriated by Council and in accordance with Appendix A; and

WHEREAS, funding will be provided from the General Fund by reducing seven positions in the Police Department.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Fairbanks, that the Mayor is hereby authorized to execute a contract and such other documents in a form approved by the City Attorney as may be necessary to effect award of the supplemental retirement plan contract to National Life Group/Life Insurance Company of the Southwest.

PASSED and APPROVED this 23rd Day of October 2023.



David Pruhs, City Mayor

YEAS: PASSED and APPROVED on the CONSENT AGENDA
NAYS: None
ABSENT: None
APPROVED: October 23, 2023

ATTEST:



D. Dahyielle Snider, MMC, City Clerk

APPROVED AS TO FORM:



Thomas A. Chard II, City Attorney

RESOLUTION NO. 5087 APPENDIX A

FAIRBANKS POLICE DEPARTMENT SUPPLEMENTAL RETIREMENT PLAN FOR COMMISSIONED OFFICERS

Purpose of Proposed Plan:

The City of Fairbanks is seeking to increase retention of Officers with an attractive retirement plan. The proposed plan would open an account with \$10,000 per Officer per year they are employed with the City. The City would retain ownership of the account for 10 years.

Proposer Provides:

The proposer would insure and administer the City of Fairbanks Permanent Life Insurance Plan using Flexlife Indexed Universal Life Insurance (IUL). This Indexed Universal Life product is individually issued and provides valuable lifetime protection through the death benefit, living benefits, and the opportunity for cash surrender value accumulation with strong income distribution performance.

If an Officer does not qualify medically for an IUL, the \$10,000 retention bonus would be used to open an NLG Fixed Indexed Annuity for the Officer, which has no health requirements.

NLG will provide annual billing to City of Fairbanks with reporting anytime an employee is hired or terminated. In addition, an annual reconciliation will be provided.

Communications:

Kristina Messenger and Patricia Liss will be communicating on behalf on NLG on the status of the Officer application and underwriting decisions and providing policy servicing through submission, policy issuance and acceptance. Please note that each plan to participate will be individually underwritten and, if approved, issued individual life insurance coverage consistent with National Life Group's policies and procedures. National Life Group communications after issuance would be in the form of electronic or physical statements based on each client's preference.

City Optional Plan:

Tier 3 Officers with ten years of service with the City of Fairbanks at the initial signing of the contract with NLG has the option of receiving \$10,000 in lieu of an IUL. Annual payments will be made in the same month as payments are made for Officers enrolled at the inception of the contract.

CITY OF FAIRBANKS
FISCAL NOTE

I. REQUEST:

Ordinance or Resolution No: 5087

Abbreviated Title: RESOLUTION AWARDDING CONTRACT TO NATIONAL LIFE GROUP

Department(s): POLICE

Does the adoption of this ordinance or resolution authorize:

1) additional costs beyond the current adopted budget? Yes _____ No X

2) additional support or maintenance costs? Yes _____ No X

If yes, what is the estimate? see below

3) additional positions beyond the current adopted budget? Yes _____ No X

If yes, how many positions? _____

If yes, type of positions? _____ (F - Full Time, P - Part Time, T - Temporary)

II. FINANCIAL DETAIL:

EXPENDITURES:	2023	2024+	TOTAL
FPD SUPPLEMENTAL RETIREMENT PLAN	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -

FUNDING SOURCE:	2023	2024+	TOTAL
GENERAL FUND	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -

The City of Fairbanks will provide \$10,000 a year for a supplemental retirement plan for commissioned officers in the Police Department. The city anticipates providing the plan for thirty-seven employees for an annual total of \$370,000. The plan will be funded by reducing seven budgeted positions in the Police Department.

Reviewed by Finance Department:

Initial mb

Date 10/11/2023