

JULY 27, 2021

CITY OF KERRVILLE, TEXAS EMPLOYEE BENEFITS TRUST

CALL TO ORDER: On July 27, 2021, the City of Kerrville Employee Benefits Trust was called to order at 5:10 p.m. in the City Hall Upstairs Conference Room, 701 Main Street, Kerrville, Texas.

COUNCILMEMBERS/TRUST MEMBERS PRESENT:

| | |
|----------------|-----------------------|
| Bill Blackburn | Mayor/Chairman |
| Kim Clarkson | Mayor Pro Tem/Trustee |
| Judy Eychner | Councilmember/Trustee |
| Roman Garcia | Councilmember/Trustee |
| Brenda Hughes | Councilmember/Trustee |

COUNCILMEMBERS/TRUST MEMBERS ABSENT: None

CITY EXECUTIVE STAFF PRESENT:

| | |
|--------------------|-------------------------------------------|
| E.A. Hoppe | City Manager |
| Mike Hayes | City Attorney |
| Shelley McElhannon | City Secretary |
| Kim Meismer | Executive Director for General Operations |

VISITORS PRESENT: Bob Tracey, Gallagher Benefits Services Consultants

1. CONSIDERATION AND POSSIBLE ACTION:

1.A. Approval of the Fiscal Year 2022 employee benefit plans and rates.

Kim Meismer noted that within Chapter 222.002 of the Texas Insurance Code, there is an annual tax in the amount of 1.75% imposed on insurers for gross premiums received from policyholders. Gross premiums paid by a municipality, county, or hospital district are exempt from the tax being collected by their insurer if the municipality, county, or hospital district establishes either a single entity benefit trust or establishes or participates in a Chapter 172 risk pool. In July 2008, City Council approved a resolution to create the Employee Benefit Trust (EBT). Since the inception of the EBT, the City has saved over \$600,000 utilizing this strategy.

Ms. Meismer noted that Blue Cross Blue Shield (BCBS) offered a final bid of 5% increase over FY2021, with package savings for ancillary benefits and no plan changes for the medical. BCBS has a high satisfaction rate among the City's plan members, and BCBS is well received by the area medical community.

Staff recommended that council, acting as the trustees of the EBT, approve the FY2022 employee benefit plans as presented and authorize the City Manager to sign the contracts with the providers. The employee benefit plan includes the following:

- The city's contribution for employee benefits be budgeted at \$8,815 per employee for FY2022.

- Authorize the use of funds from the Employee Benefit Reserve account, if needed.
- Authorize the city manager to sign the contracts with the following providers:
 - Medical, Dental, Group Life & AD&D, and Short Term Disability; Voluntary Life & AD&D, and Voluntary Short Term Disability: Blue Cross Blue Shield of Texas
 - Vision: VSP
 - Long Term Disability: Lincoln

Trustee Judy Eychner moved to approve the FY2022 plans and rates as presented, and Trustee Roman Garcia seconded. The motion passed 5-0.

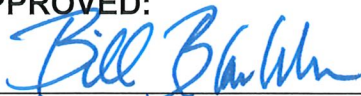
ADJOURN.

The City of Kerrville Employee Benefits Trust meeting adjourned at 5:35 p.m.

APPROVED BY CITY COUNCIL AS KERRVILLE EMPLOYEE BENEFITS TRUST


BOARD: 8/10/2021

APPROVED:



Bill Blackburn, Mayor/Chairman

ATTEST:



Shelley McElhannon, City Secretary