



COUNCIL AGENDA ITEM MEMORANDUM

DEPT./DIVISION SUBMISSION & REVIEW:

Tara Raymore, Director of People Operations

ITEM DESCRIPTION: Consider adopting a resolution authorizing the purchase of employee insurance policies from the following vendors for FY 2025: (A) Medical & Pharmacy Insurance Plans from Blue Cross & Blue Shield of Texas of Richardson; (B) Worksite Benefits – Accident, Critical Illness, and Hospitalization insurance from Standard Insurance Company of Portland, OR; (C) Dental Insurance Plans from Blue Cross & Blue Shield of Texas; (D) Flexible Spending Account, Dependent Spending Account, Cafeteria 125 Plan, Health Savings Account administrative services, and Consolidated Omnibus Budget Reconciliation Act administrative services from Optum Financial of Hunt Valley, MD; (E) Basic Life, Voluntary Life and Accidental Death and Dismemberment, Short-Term and Long-Term Disability insurance from Dearborn Life Insurance Company; and (F) Vision Fully Insured Policy from Dearborn Life Insurance Company (subsidiary of Blue Cross Blue Shield).

BACKGROUND: On July 18, 2024, the Employee Benefits Trust (Trust) received a presentation outlining a recommendation for the purchase of employee insurance policies for FY 2025. The Trust authorized the following employee insurance purchases with contract terms of October 1, 2024 through September 30, 2025:

- (A) Medical & Pharmacy – One-year contract renewal with Blue Cross & Blue Shield of Texas for fully insured high deductible health and preferred provider organization (PPO) plan options, procured through RFP #27-01-23. This will be the second of four one-year optional renewals available.
- (B) Worksite Benefits – One-year contract renewal with Standard Insurance Company for accident, critical illness, and hospital indemnity plans, procured through RFP #27-03-21. This will be the third of four one-year optional renewals available.
- (C) Dental – One-year contract renewal with Blue Cross & Blue Shield of Texas for base dental plan and buy-up dental plan options, procured through RFP #27-01-24. This will be the first of four one-year optional renewals available.

- (D) Flexible Spending Account (FSA), Dependent Spending Account, Cafeteria 125 Plan, Health Savings Account (HSA) and Consolidated Omnibus Budget Reconciliation Act (COBRA) – One-year contract with four optional one-year renewal periods with Optum Financial for administrative services, procured through RFP #27-02-25. 11 proposals were received on May 30, 2024 and evaluated by People Operations and Finance staff, as well as the City’s benefits consultant. See the proposal evaluation tabulation attached.
- (E) Basic Life, Voluntary Life, Accidental Death & Dismemberment (AD&D), Long-Term and Short-Term Disability – One-year contract with four optional one-year renewal periods with Dearborn Life Insurance Company (subsidiary of Blue Cross Blue Shield), procured through RFP #27-01-25. Seven proposals were received on May 30, 2024 and evaluated by People Operations and Finance staff, as well as the City’s benefits consultant. See the proposal evaluation tabulation attached.
- (F) Vision – One-year contract with four optional one-year renewal periods with Dearborn Life Insurance Company (subsidiary of Blue Cross Blue Shield), procured through RFP #27-03-25. Four proposals were received on June 12, 2024 and evaluated by People Operations and Finance staff, as well as the City’s benefits consultant. See the proposal evaluation tabulation attached.

ALIGNMENT WITH ADOPTED PLANS:

| Plan | Comments |
|----------------|--|
| Strategic Plan | This item supports the City’s strategic goal “Talented and dedicated employees who have a heart for service” as well as the Strategic Plan commitment to “Attract and retain talented employees.” This item also supports the City of Temple’s Strategic Plan goal of “An open, responsive, and accountable government,” as well as the commitment to “Employ fiscally responsible practices and policies that ensure City investments are made based on sound review and analysis.” |

STAFF RECOMMENDATION: Adopt resolution as presented in item description.

BOARDS & COMMISSIONS RECOMMENDATION: On July 18, 2024, the Employee Benefit Trust met and reviewed this item. This item was approved by a vote of 5 to 0.

FISCAL IMPACT: Funding for the rates as adopted in the FY 2025 Budget is shown in the table below:

| FY 25 Budget Amounts | Insurance Type |
|---------------------------------|---------------------------------|
| <i>Employees:</i> | |
| \$ 6,977,586 | Medical/Prescription |
| 421,965 | Health Savings Account |
| 328,167 | Long Term Disability |
| 212,635 | Dental |
| 196,800 | Dependent Care Savings Account |
| 68,421 | Basic Life |
| 28,682 | Short Term Disability |
| 15,189 | AD&D |
| <i>Retirees:</i> | |
| \$ 166,018 | Medical/Prescription - Retirees |
| 3,821 | Dental - Retirees |
| \$ 8,419,284 | TOTAL |

ATTACHMENTS:

Resolution
Proposal Evaluation Tabulations