
Choose an item.

DEPARTMENT: Human Resources

FROM: Wanda Bullard, Interim Director of Human Resources

MEETING: December 11, 2023

SUBJECT:

Consider approval of a minute order to ratify the contracts with HUB International to be the City's benefits consultant, GASB 75 OPEB actuary, and Total Compensation Statement provider to ensure a competitive and compliant group health plan in an amount of \$239,650 as awarded from RFP 2022-001. *(Staff Contact: Wanda Bullard, Interim Director of Human Resources)*

SUMMARY:

One of the City's strategic focuses is to attract and retain top talent by providing a competitive compensation and benefits package. The City uses a benefits consultant as a subject matter expert to help navigate, design, select and administer our employee benefit plans given the vast complexities, costs, compliance issues, and trend changes in the healthcare arena.

The City has utilized HUB International since April 2015 as the City's benefits consultant. The City did an RFP in November 2021 for a 5-year agreement, and HUB had the most comprehensive proposal for benefits consulting and actuarial valuation. We originally went to City Council to authorize the first year of benefits consulting and full actuarial valuation for calendar year 2022 in the amount of \$49,400. The benefits consulting contract was set to auto-renew according to the 5-year pricing structure. The GASB 75 - Other Postemployment Benefits (OPEB) actuarial valuation service was a 4-year contract since valuation is performed under a 2-year cycle with a full valuation one year and a partial valuation the next year. Accordingly, we are in need to ratify the contract for the subsequent contract years.

An OPEB valuation is required by the Government Accounting Standards Board for better financial reporting and transparency for recognizing and measuring retiree insurance liabilities and expense/expenditures, project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

A full list of services are provided in the agreements, but a summary of the consulting and actuarial services include the following for both active and retiree benefit plans:

- Analysis, reporting, and strategic recommendations for current benefits and cost saving alternatives
- Benchmarking competitive benefit options and long range planning

- Health benefits actuarial analysis, budget, and fund projections
- Trends and data analysis of claims history
- Day to day consultation, liaison between providers/vendors, and problem intervention
- Attend and assist facilitate management planning meetings and employee meetings including open enrollment and health committees
- Compliance in every aspect, which is of critical importance given the cafeteria plan regulations, pre-tax plans, the Affordable Care Act, and nature of the City's plan as a partially self-funded model
- Annual renewal process, bids/request for proposals, rate proposal evaluation, price negotiation, negotiations of contract terms and conditions, and market research for rate analysis, facilitate transition between new plans and vendors, onboarding the City to new vendors
- Advise on other benefit programs including wellness
- Recommend educational seminars and training opportunities
- Evaluate administrative processes
- Employee communications development including Benefit Guides, Open Enrollment books and materials

The Total Compensation Statements were an add on service in 2022 when we identified a need for a software/communication solution to provide employees insight into how much the City is investing in their career beyond their base salary, including various types of pay, incentives, and city-provided or supplemented benefits. HUB had a division with a robust system that could compile the detailed data into a visual summary for each employee. We will not need Total Compensation Statements beginning January 1, 2025, since our new payroll system that is going live on January 1, 2024, has a built in module.

We still have cancellations provisions in the 5-year benefit consulting agreement, which provides flexibility to the City. We recommend to ratify the existing contracts for the stated terms.

OPTIONS:

- 1) Approve a minute order to ratify the contracts with HUB International to be the City's benefits consultant, GASB 75 OPEB actuary, and Total Compensation Statement provider to ensure a competitive and compliant group health plan in an amount of \$239,650 as awarded from RFP 2022-001.
- 2) Deny a minute order to ratify the contracts with HUB International to be the City's benefits consultant, GASB 75 OPEB actuary, and Total Compensation Statement provider to ensure a competitive and compliant group health plan in an amount of \$239,650 as awarded from RFP 2022-001.

RECOMMENDATION:

Approve a minute order to ratify the contracts with HUB International to be the City's benefits consultant, GASB 75 OPEB actuary, and Total Compensation Statement provider to ensure a competitive and compliant group health plan in an amount of \$239,650 as awarded from RFP 2022-001.

PRIOR ACTION/INPUT (Council, Boards, Citizens):

City Council Meeting – January 18, 2022: Contract approval for 1 year of spend in 2022

FISCAL IMPACT:**Benefits Consulting**

Year	Monthly	Annual	Pricing Comments
2022	\$ 3,283.33	\$ 39,400	3 Year Rate Guarantee
2023	\$ 3,283.33	\$ 39,400	3 Year Rate Guarantee
2024	\$ 3,283.33	\$ 39,400	3 Year Rate Guarantee
2025	\$ 3,447.50	\$ 41,370	5% Increase
2026	\$ 3,619.87	\$ 43,438	5% Increase
TOTAL		\$ 203,008	

Actuary - Retiree Insurance Valuation (GASB 75, OPEB Liability)

Years	Monthly	Annual	Comments
2022/2023	N/A	\$ 14,000.00	Year 1 Full - \$10,000, Year 2 Partial - \$4000
2024/2025	N/A	\$ 14,000.00	Year 1 Full - \$10,000, Year 2 Partial - \$4000
TOTAL		\$ 28,000.00	

Annual Total Compensation Statements

Year	Monthly	Annual	Comments
2022	N/A	\$ 3,025.00	Initial Year Set Up Fee
2023	N/A	\$ 2,600.00	
2024	N/A	\$ 3,000.00	Added Statements, More Employees
TOTAL		\$ 8,625.00	

TOTAL	\$ 239,633
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