



## CITY COMMISSION STAFF REPORT

**DEPARTMENT:** Human Resources Department

**SUBJECT:** Motion to approve the third Amendment to the Agreement with The Gehring Group for insurance brokerage services.

**BACKGROUND OF ITEM:**

At the August 20, 2019 Commission meeting an agreement with The Gehring Group, to be the City's Agent of Record for insurance coverage, was approved unanimously. This agreement, to obtain the City's insurance "piggybacks" the agreement between The Gehring Group and the City of Greenacres. The City of Greenacres' agreement can be renewed up to four one-year renewal options, subject to mutual written consent of the parties.

Since August 20, 2020, City staff and The Gehring Group have worked together for insurance renewals and awards for medical, dental, vision, life and disability insurance coverage, Affordable Care Act reporting, annual federal regulation compliance, and forecasting for the fiscal years since then. City staff has been very satisfied with the services provided by The Gehring Group and wishes to continue working with The Gehring Group through a third amendment to the agreement, which captures the four renewals granted by Greenacres for the agreement on which the City "piggybacked". These four renewals between Greenacres and The Gehring Group have terms of May 2020 – May 2021, May 2021 – May 2022, and May 2022 – May 2023 and now, May 2023 – May 2024.

The agreement with The Gehring Group has only an indirect fiscal impact on the City's budget, as commission for their services are rendered through the secured premiums from each medical insurance group.

Extending the City's agreement with The Gehring Group to May 2024 will allow for a smooth renewal for FY23-24.

**FISCAL IMPACT:**

There is no FY 2023-24 budget allocated for this expenditure. The Gehring Group receives payment via commission from the benefit providers; which for Medical and Dental is below the industry standards of 5% and 10%.

Policy	Projected % Increase in Premium for 10/1/23	Projected Annual Premium for 10/1/23	Commission Percentage
Medical	0.8%	\$2,283,767	4.00%
Dental	5%	\$99,861.68	5.00%
Life & AD&D	0%	\$13,107.60	10.00%
Vision	0%	\$18,142.08	10.00%
Short-Term Disability	0%	\$8,755.20	10.00%
Long-Term Disability	0%	\$13,280.93	10.00%
Total Premium		\$2,436,914	

**ATTACHMENTS:**

1. Third Amendment to Agreement between the City of Cooper City and The Gehring Group.
2. Second Amendment to Agreement between the City of Cooper City and The Gehring Group.
3. First Amendment to Agreement between the City of Cooper City and The Gehring Group.
4. Original Agreement between The City of Cooper City and The Gehring Group.
5. First Renewal letter between Greenacres and The Gehring Group.
6. Second Renewal letter between Greenacres and The Gehring Group.
7. Third Renewal between Greenacres and The Gehring Group.
8. Fourth Renewal between Greenacres and The Gehring Group.

Workflow History			
User	Task	Action	Date/Time
Allen, Tedra	NEW ITEM: Not Yet Routed	*COMPLETE: Forward to City Att...	04/14/23 01:45 PM
Horowitz, Jacob	Assigned to Attorney	Return to Original Submitter	04/14/23 02:14 PM
	<i>I corrected a typo in the agreement. I will resend a new version to upload.</i>		
Allen, Tedra	Returned to Original Submitter by Attorney	Return to Attorney	04/14/23 02:35 PM
Horowitz, Jacob	Assigned to Attorney	COMPLETE: Forward to City Ma...	04/14/23 02:47 PM
Napoli, Joseph	Assigned to City Manager	COMPLETE: Forward to City Clerk	04/14/23 02:47 PM
Allen, Tedra	Assigned to City Clerk	APPROVE ITEM: End Workflow	04/14/23 03:40 PM
Allen, Tedra	END WORKFLOW - APPROVED		04/14/23 03:41 PM