

MAYOR AND COUNCIL COMMUNICATION

DATE: August 19, 2025

TO: Mayor and Council

FROM: Lisa Hernandez, Human Resources Director

THROUGH: Crystal Caldera, City Manager

SUBJECT: Presentation, Discussion and Possible Action to Award the Fiscal Year 2026 Group Insurance Bids for Employee Medical, Dental and Life Insurances provided by Gallagher Benefit Services.

PURPOSE

To identify health plans that would better serve the needs of the city and its employees while minimizing the city's and employees' costs in order to provide quality benefits to employees.

The City currently pays 100% of the Employee-Only premium costs for basic health, dental, and life insurances.

Gallagher Benefit Services, Insurance Broker, sought renewal and negotiated health insurance plans and rates for fiscal year beginning October 1, 2025, and ending September 30, 2026.

Medical: The medical insurance premium base-plan cost for employee-only represents:

- BCBS (Renewal): \$936.77 (increased by \$152.86 per employee)
- United Healthcare: \$819.09 (increased by \$35.18 per employee)

Dental: The dental insurance premium low-plan cost for employee-only represents:

- BCBS (Renewal): \$28.07 (increased by \$1.96 per employee)
- United Healthcare: \$25.72 (decreased by \$0.39 per employee)

Life: No financial or plan impacts to the life insurance plan with Dearborn to consider changing insurance providers. Dearborn will continue administering the Employee Assistance Program.

Approval will authorize the City Manager to execute the city's group health, dental & life insurance contract through Gallagher Benefit Services, Inc., our Insurance Brokerage firm, which will serve as the City's liaison with the insurer selected by the Council.

FISCAL IMPACT

Health Insurance –	\$818.28	➡	\$881.52
Dental Insurance -	\$26.11	➡	\$25.72
Life Insurance -	\$1.30	➡	\$1.30
TOTAL -	\$845.69	➡	\$908.54

This is a 7.4% increase and is included in your FY 26 budget.

RECOMMENDATION

To approve the insurance benefits bid contract to United Healthcare for Medical Base Plan EI2Z and Dental Low Plan PPO CS250, and Dearborn for Basic Life / AD&D Insurance Plans. Staff recommends we provide a supplement option up to \$881.52 to minimize employee's medical out-of-pocket cost for elected dependent medical coverage plans; and to provide buy-up option for medical and dental, and continue voluntary supplemental plan options.

APPROVED: _____ DISAPPROVED: _____

APPROVED WITH THE FOLLOWING AMENDMENTS:

ATTEST:

SAUNDRA PASSAILAIGUE, TRMC
City Secretary