



AGENDA ITEM COMMENTARY

MEETING NAME: City Council
MEETING DATE: May 5, 2025
ITEM TITLE: Consider and take appropriate action on Resolution 2025

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOLFFORTH, TEXAS, AUTHORIZING CREATION OF AN EMPLOYEE BENEFITS TRUST; DESIGNATING MEMBERS OF CITY STAFF TO BE TRUSTEES OF SAID TRUST; AND AUTHORIZING THE TRUST TO PURCHASE VARIOUS FORMS OF INSURANCE FOR THE BENEFIT OF CITY OFFICERS, EMPLOYEES, QUALIFIED RETIREES, AND THEIR DEPENDENTS.

STAFF INITIATOR: Terri Robinette, City Secretary

BACKGROUND:

Staff has already began work on the fiscal year 2026 budget and a significant piece of that budget is employee benefits. We have partnered with HUB International, a large, global insurance brokerage, to lead us through the process of the Request for Proposals from insurance companies for our 2025-2026 coverages including health, dental, vision, long and short-term disability and life insurance.

The first recommendation from HUB is to establish a Benefit Trust. Establishing a benefit trust will allow the City to avoid the payment of premium tax on medical premiums. This trust will have a zero balance bank account into which premiums will be deposited from payroll deductions and then paid out to the insurance company.

By completing the establishment of this Trust early, the insurance companies will have this information in hand as they quote net rates this summer. This should be a significant cost savings to the City

EXHIBITS:

Resolution

COUNCIL ACTION/STAFF RECOMMENDATION:

Approve Resolution