



1111 Bayou
La Marque, Texas 77568
409.938.9202

Mayor Bobby Hocking
Mayor Pro- Tem Keith Bell- District A

Councilmember Chris Lane- District B
Councilmember Robert Michetich- District C
Councilmember Clent Brown- District D

OFFICIALLY POSTED ON THE WEB: DATE: 8.28.2015 TIME: 5:00 p.m.

ORDINANCE NO. O-2015-0019
RESOLUTION NO. R-2015-0030

**SPECIAL CALLED
CITY COUNCIL MEETING/PUBLIC HEARING
AND SPECIAL MEETING OF THE LA MARQUE EMPLOYEE BENEFITS TRUST
AGENDA**

Notice is hereby given that the City Council of the City of La Marque, Texas will conduct a Public Hearing/Special Meeting and Special Meeting of the La Marque Employee Benefits Trust on **Tuesday, September 1, 2015** at 6:00 p.m. at 1109-B Bayou Road for the purpose of considering the following agenda:

- (1) CALL MEETING TO ORDER**
- (2) ROLL CALL**
- (3) INVOCATION AND PLEDGE OF ALLEGIANCE**
- (4) CITIZEN'S PARTICIPATION**
Comments from the public (at this time, any person with city-related business who has signed up may speak to Council (limited to three (3) minutes.) In compliance with Texas Open Meeting Act the City Council may not deliberate on comments. Personal attacks will not be allowed, and personnel matters should be addressed to the City Manager during normal business hours.
- (5) PUBLIC HEARING**
 - a. Conduct Second Public Hearing on the City of La Marque Tax Year 2015 Tax Rate.
- (6) PRESENTATION - Burke Sunday (Gallagher)- Employee Medical Benefits**
- (7) NEW BUSINESS**
 - a. Discussion/possible action to approve Resolution No. **R-2015-0029**, authorizing the creation of an Employee Benefits Trust, designating members of the City of La Marque's City Council to be Trustees, and authorizing the Trust to purchase various forms of insurance for the benefits of city officers, employees, qualified retirees, and their dependents and approve the Declaration of Trust.



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- (8) **RECESS SPECIAL CITY COUNCIL MEETING and open Special Meeting of the City of La Marque Employee Benefits Trust. The City of La Marque Employee Benefits Trust reserves the right to retire into Executive Session concerning any of the agenda items whenever it is considered necessary and legally justified pursuant to Texas Government Code, Chapter 551.**
- (a) **CALL TO ORDER**
- (b) **ROLL CALL**
- (c) Discussion/possible action adopting the City of La Marque Investment Policy as the policy for investments for the City of La Marque Employee Benefits Trust.
- (d) Discussion/possible action designating the depository for the City of La Marque Employee Benefits Trust as the same depository utilized by the City of La Marque.
- (e) Discussion/possible action designating signatories for the City of La Marque Employee Benefits Trust as the same as signatories for the City of La Marque.
- (f) Discussion/possible action designating and authorizing the annual auditors for the City of La Marque to conduct an audit for the City of La Marque Employee Benefits Trust at such time that the audit of the City of La Marque is conducted.
- (g) Discussion/possible action awarding United Healthcare a bid for Employee Medical and Pharmacy Insurance.
- (h) Discussion/possible action awarding MetLife a bid for Employee Dental Insurance.
- (i) Discussion/possible action awarding MetLife a bid for Voluntary Employee Vision Insurance.
- (j) Discussion/possible action to award MetLife a bid for Employees Base Life Insurance and Voluntary Supplemental Life Insurance.
- (9) **CLOSE CITY OF LA MARQUE SPECIAL MEETING OF THE CITY OF LA MARQUE EMPLOYEE BENEFITS TRUST AND RECONVENE SPECIAL CITY COUNCIL MEETING.**
- (10) Discussion/possible action regarding Resolution No. **R-2015-0030**, authorizing the funding of monthly benefit insurance contracts as approved in Employee Benefits Trust meeting.



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(11) ADJOURNMENT

CERTIFICATION:

I hereby certify that the above notice of meeting was posted at 1109-B Bayou Road,
La Marque, Texas on or before August 28, 2015 before 5:00 p.m.

Robin Eldridge, TRMC
City Clerk

• • • • •
• This facility is wheelchair accessible and accessible parking spaces are available. Request for accommodations or
• interpretive services must be made 48 hours prior to this meeting. Please contact the City Clerk's office at (409) 938-
• 9259, or Fax (409) 935-0401, or e-mail cityclerk@cityoflamarque.org for further information.
• • • • •



CITY COUNCIL AGENDA FORM

Meeting Date: 9/1/2015
 Prepared by: Suzy Kou
 Department: Finance

Agenda item: 7a
 Reviewed by: Carol Buttler

AGENDA ITEM DESCRIPTION: Discussion/possible action to approve Resolution No. **R-2015-0029**, authorizing the creation of an Employee Benefits Trust, designating members of the City of La Marque's City Council to be Trustees, and authorizing the Trust to purchase various forms of insurance for the benefits of city officers, employees, qualified retirees, and their dependents and approve the Declaration of Trust.

- ☒ Attachments for reference
1. Resolution
 2. Declaration of Trust

Staff Briefing:

- Per Texas Insurance Code Section 222.002 (2) (5) (a), the City is allowed to establish a "trust" fund to capture insurance activities independent from other City-related transactions.
- The Employee Benefits Trust will be operating under City Council serving as Trustees and will follow approved guidelines set out in the Declaration of Trust.
- Savings the City can enjoy is estimated around \$10,000 by establishing a Trust for health benefits.

History (if applicable):

Target Implementation: September 1, 2015

Significant Action Dates:

Action:

- | | |
|--|--|
| ☐ Ordinance | ☒ Resolution |
| ☐ Proclamation | ☐ Special Presentation |
| ☐ Finance Report | ☐ Public Hearing |
| ☐ Other (be Specific) | |
| ☒ Check box if there is no conflict with City Charter, ordinances, resolutions, or policies. | |

Cost Details:	
Budgeted	
Actual Bid	
Estimated Expenditure	
Acct. Name	
Line Items #	
Other Funding	

Staff's Recommendation: Motion to approve Resolution No. **R-2015-0029**, authorizing the creation of an Employee Benefits Trust, designating members of the City of La Marque's City Council to be Trustees, and authorizing the Trust to purchase various forms of insurance for



CITY COUNCIL AGENDA FORM

the benefits of city officers, employees, qualified retirees, and their dependents and approve the Declaration of Trust.

Fiscal Impact: N/A

RESOLUTION NO. R-2015-0029

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LA MARQUE, TEXAS, AUTHORIZING THE CREATION OF AN EMPLOYEE BENEFITS TRUST, DESIGNATING THE MEMBERS OF THE CITY OF LA MARQUE'S CITY COUNCIL TO BE TRUSTEES, AND AUTHORIZING THE TRUST TO PURCHASE VARIOUS FORMS OF INSURANCE FOR THE BENEFITS OF CITY OFFICERS, EMPLOYEES, QUALIFIED RETIREES, AND THEIR DEPENDENTS, AND OTHER RELATED MATTERS AS SET FORTH IN ATTACHED DECLARATION OF TRUST.

WHEREAS, the City Council of the City of La Marque, Texas, authorize the creation of an Employee Benefits Trust; and

WHEREAS, the City Council of the City of La Marque, Texas, are designated as Trustees of the Employee Benefits Trust; and

WHEREAS, the Employee Benefits Trust is authorized to purchase various forms of insurance for the benefits of City officers, employees, qualified retirees, and other dependents, and other related matters as set forth in attached Declaration of Trust; and

WHEREAS, the effective date for this creation shall begin September 1, 2015.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LA MARQUE, TEXAS, THAT:

Section 1. Findings. The foregoing recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

Section 2. Proceedings. That the Employee Benefits Trust be created and Trustees be designated as set forth in attached Declaration of Trust, effective September 1, 2015.

Section 3. Open Meetings. It is hereby officially found and determined that the meeting at which this resolution was passed was open to the public as required and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act, *Chapter. 551, Tex. Gov't Code*.

PASSED AND APPROVED this the _____ day of _____, 2015.

THE CITY OF LA MARQUE, TEXAS

Bobby Hocking, Mayor

ATTEST:

Robin Eldridge, City Clerk

APPROVED AS TO FORM

Ellis J. Ortego, City Attorney

DECLARATION OF TRUST

I.

The **City of La Marque**¹ (“City”), as settlor, designates the members of the **City of La Marque** City Council² to be Trustees and declares that the City holds in trust the funds described in Schedule A attached hereto and incorporated herein by reference, which is the property of the City, and all substitutions and additions to such funds, for the purpose of providing life, disability, sick, accident, and other health benefits to the City’s officers, employees, and qualified retirees and their dependents.

II. PURPOSE

This is a nonprofit trust created for the purpose of providing City officers, employees, and qualified retirees and their dependents with life, disability, sickness, accident, and other health benefits either directly or through the purchase of insurance and to perform operations in furtherance thereof.

III. DURATION

The Trust shall continue until terminated by operation of law or by majority vote of the Trustees.

IV. TRUSTEES: COMPOSITION, OFFICERS, COMPENSATION, AND MEETINGS

COMPOSITION. The Trustees are the members of the **City of La Marque** City Council, and the term of each Trustee is contemporaneous with his or her term of office as a

¹ The settlor is the entity establishing the trust and may also be a Chapter 172 Pool, a county, a hospital district, or a county or municipal hospital.

² The trustees will govern the operations of the trust and may also be the Trustees of a Chapter 172 Pool, members of a County Commissioners Court, or members of the Board of Directors of a hospital district or of a municipal or county hospital.

Member of the City Council. Whenever a Trustee ceases to be a member of the **City of La Marque** City Council, he will likewise cease to be a Trustee of the Trust, and the person succeeding him or her in office will serve as a successor Trustee of the Trust.

OFFICERS. The Mayor shall serve as Chairman and shall preside at meetings of the Trustees and shall have all such other powers as are conferred herein or by majority vote of the Trustees. The Mayor Pro Tem shall serve as Vice Chairman and shall preside at meetings of the Trustees whenever the Chairman is absent. The Secretary shall rotate, coinciding with the **City of La Marque's** Fiscal Year, between the Council members, skipping the Mayor Pro Tem, beginning with Place 1. The Secretary will oversee the preparation of meeting agendas, giving notice of meetings to the Trustees, and the minutes of the meetings of the Trustees.

COMPENSATION. The Trustees shall be reimbursed for all reasonable and necessary expenses incurred by them in the performance of their duties and will otherwise receive no compensation for their service as Trustees.

MEETINGS. A meeting of the Trustees may be called by the Chairman or on written request to the Chairman by two or more Trustees. Trustees shall have at least three days written notice of any meeting. For purposes of this section, electronic mail notice is written notice.

V.

RIGHTS, POWERS, AND DUTIES OF TRUSTEES; QUORUM AND VOTING

RIGHTS, POWERS, AND DUTIES. In addition to all other powers and duties conferred on them by this Trust document and imposed or authorized by law, the Trustees shall have the following powers and duties:

1. The Trustees shall carry out all of the duties necessary for the proper operation and administration of the Trust on behalf of the covered persons and shall have all

the powers necessary and desirable for the effective administration of the affairs of the Trust.

2. The Trustees have the general power to make and enter into all contracts and agreements necessary or convenient to carry out any of the powers granted by this Trust document or by law or to effectuate the purpose of the Trust. All such contracts and agreements or any other legal documents herein authorized shall be approved by the Trustees and signed by the Chairman on behalf of the Trust. The Trustees may also designate another Trustee to sign such documents
3. The Trustees shall use the Trust's funds to accomplish the purpose of the Trust, as described in Paragraph II herein, and to operate and administer the Trust solely in the interest of the covered City officers, employees, and qualified retirees and dependents thereof and for the exclusive purpose of providing benefits to such persons and defraying the reasonable expenses of administration of the Trust. To this end, the Trustees may purchase life, disability, or accident and health insurance to provide coverage for participating City officers, employees, and qualified retirees and their dependents. The Trustees may also adopt a health benefits plan that covers eligible City officers, employees, and qualified retirees, and their dependents.
4. The Trustees may accept contributions to the Trust funds from any source including contributions from covered persons receiving benefits from the Trust.
5. The Trustees shall be authorized to contract with any qualified organization to perform any of the functions necessary for providing life, disability, sick, accident, and other health benefits, including but not limited to excess loss

insurance, stop loss insurance, claims administration, and administrative services. When required by law or desired by the Trustees, the Trustees may seek sealed competitive bids or sealed competitive proposals with respect to contracts required to carry out the operations of the Trust and to affect the purpose of the Trust.

6. The Trustees shall arrange for the investing of the funds of the Trust so as to keep the same invested according to law and at the best interest rates obtainable for the benefit of the covered persons. The Trustees may hire money managers and shall adopt an investment policy for its own use and that of its agents in making investments. The Trustees shall select a depository for the Trust's funds and provide for the proper security of any and all investments. The Trustees shall designate signatories for the Trust's depository accounts.
7. The **City of La Marque** may purchase insurance for the Trustees and any other fiduciaries appointed by the Trustees and for the **City of La Marque** to cover liability or losses occurring by reason of the act or omission of any one or more of the Trustees or any other fiduciary appointed by them. Any insurance purchased by the **City of La Marque** must give the insurer recourse against the Trustees or other fiduciaries concerned for breach of any fiduciary obligation or fiduciary duty owed to the Trust.
8. The Trustees shall arrange for proper accounting and reporting procedures for the Trust's funds and shall also provide for an annual audit of the Trust's financial affairs by a certified public accountant.

9. The Trustees may retain legal counsel to represent the Trust and the Trustees in all legal proceedings as well as to advise the Trust and the Trustees on all matters pertaining to the operation and administration of the Trust.
10. The Trustees have the authority to terminate the Trust at any time.
11. Upon termination of the Trust, the Trustees shall provide for the payment of Trust obligations, debts, losses, and other liabilities and shall provide for the disposition of the remaining Trust funds in accordance with Paragraph IX herein.

QUORUM AND VOTING. The Chairman or Vice Chairman, and any three (3) Trustees, acting together, or any three (3) Trustees acting together in the absence of the Chairman and Vice Chairman shall constitute a quorum to do business with the affirmative vote of a majority of those present. The vote of such majority of the Trustees at such meeting shall constitute action of the Trustees as a group.

VI. BENEFICIARIES

The beneficiaries of the Trust are the City officers, employees, and qualified retirees and their dependents who are covered by a life, disability, sick, accident, or other health benefits plan purchased or adopted by the Trust (also called “covered persons” herein). Beneficiaries may make contributions to the Trust for use by the Trustees in fulfilling the purposes of the Trust. No beneficiary shall have any claim against the funds or any other property of the Trust. The rights and interests of the beneficiaries are limited to the insurance or health benefits specified in any policy purchased or plan adopted by the Trustees.

VII. TRUST FUNDS

The Trust funds consist of the funds described in Schedule A hereto as provided by the Settlor to institute this Trust, future contributions by the Settlor, beneficiary contributions, investment income, and any other money or property which shall come into the hands of the Trustees in connection with the administration of the Trust. The Trustees may use the Trust's funds as follows:

1. to pay all expenses which the Trustees consider necessary in establishing the Trust and in administering the Trust and all reasonable expenses incurred by the Trustees in the performance of their duties as defined to be those allowed under Section 222.002(c)(5)(A) [Texas Insurance Code] and or permitted by the State Comptroller of the State of Texas in its role as the administrator of this legislation;
2. to pay premiums on any insurance policies allowed under Section 222.002(c)(5)(A) [Texas Insurance Code] purchased by the Trust;
3. to make authorized investments;
4. to pay claims under any health benefits plan adopted by the Trustees;

VIII. LIABILITY OF TRUSTEES AND OFFICERS

The Trustees shall use ordinary care and reasonable diligence in the exercise of their powers and the performance of their duties hereunder; and they shall not be liable for any mistake of judgment or other action made, taken or omitted by them in good faith, nor for any action taken or omitted by any agent, employee or independent contractor selected with reasonable care; nor for loss incurred through investment of the Trust funds or failure to invest. No Trustee shall be liable

for any action taken or omitted by any other Trustee. No Trustee shall be required to give a bond or other security to guarantee the faithful performance of his or her duties hereunder. To the fullest extent permitted by law: (a) the **City of La Marque** shall indemnify each Trustee who was, is, or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding (“*Proceeding*”), any appeal therein, or any inquiry or investigation preliminary thereto, by reason of the fact that the Trustee is or was a Trustee; (b) the City of La Marque shall pay or reimburse a Trustee for expenses incurred (i) in advance of the final disposition of a Proceeding to which such Trustee was, is or is threatened to be made a party, and (ii) in connection with such Trustee’s appearance as a witness or other participation in any Proceeding.

IN WITNESS WHEREOF, the undersigned parties declare that no funds since the inception of said Employee Benefits Trust, were used or diverted for any purpose than those allowed by Section 222.002 of the Texas Insurance Code.

IX. AMENDMENT, REVOCATION AND TERMINATION

This Declaration of Trust and the Trust created herein shall terminate when and if required by operation of law. The Trustees shall have the power to amend, modify, terminate or revoke, in whole or in part, this Declaration of Trust and the Trust created herein by majority vote at a duly called meeting at which a quorum is present. Notwithstanding the foregoing, the Trustees shall have no power to amend Paragraph II of this Declaration of Trust. Beneficiaries of the Trust shall have no right to amend this Declaration of Trust, and their approval shall not be a condition or requirement for an authorized amendment by the Trustees.

Upon termination of the Trust, the Trustees shall pay all obligations, debts, losses, and other liabilities of the Trust. Thereafter, the Trustees shall first use the remaining trust funds to

pay covered claims of persons covered under the City's health benefits plan that may be in effect at the time of termination of the Trust and, then, either apply any remaining balance of the funds for the benefit of those covered persons in such manner as the Trustees determine shall best carry out to purposes of this Trust or pay such balance over to such covered persons on a per capita basis. Notwithstanding the foregoing, the Trustees, upon termination of the Trust and payment of all Trust obligations may, by vote of a majority of the Trustees, transfer the remaining funds or any portion thereof to the trustees of any trust or trusts established for a substantially similar purpose to be applied for uses substantially similar to those set forth in Paragraph II herein.

X. GOVERNING LAW

This Declaration of Trust and the Trust created herein shall be construed and governed by the laws of the State of Texas in force from time to time.

XI. MISCELLANEOUS

Whenever the context so admits and such treatment is necessary to interpret this Declaration of Trust in accordance with its apparent intent, the use herein of the singular shall include the plural, and vice versa, and the use of the feminine, masculine, or neuter gender shall be deemed to include the other genders.

The captions or headings above the various Paragraphs of this Declaration of Trust have been included only to facilitate the location of the subjects covered by each Paragraph but shall not be used in construing this Declaration of Trust.

If any clause or provision of this Declaration of Trust proves to be or is adjudged invalid or void for any reason, such invalid or void clause, provision, or portion shall not affect the whole, but

the balance of the provisions hereof shall remain operative and shall be carried into effect insofar as is legally possible.

IN WITNESS WHEREOF, the undersigned parties have executed this Declaration of Trust, consisting of twelve (12) pages and Schedule A attached hereto, on the dates of their respective acknowledgments below. By joining in the execution of this Declaration of Trust, the Trustees acknowledge receipt of the property described in Schedule A, signify acceptance of the Trust created hereunder, and covenant that the Trust will be executed with all due fidelity. This Trust is effective as of the last date of signature below.

City of La Marque, Texas, Settlor

Bobby Hocking, Mayor, Chairman

Bobby Hocking, Trustee

Keith Bell, Trustee, Mayor Pro-Tem, Vice Chairman

Chris Lane, Trustee

Robert Michetich, Trustee

Clent Brown, Trustee

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

This instrument was acknowledged before me on, September 1, 2015, by Bobby Hocking, Mayor of the **City of La Marque** on behalf of Settlor.

Notary Public, State of Texas
Print Name: Robin Eldridge
My Commission Expires: _____

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

This instrument was acknowledged before me on, September 1, 2015, by Bobby Hocking, Trustee.

Notary Public, State of Texas
Print Name: Robin Eldridge
My Commission Expires: _____

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

This instrument was acknowledged before me on, September 1, 2015, by Keith Bell, Trustee.

Notary Public, State of Texas
Print Name: Robin Eldridge
My Commission Expires: _____

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

This instrument was acknowledged before me on September 1, 2015, by Chris Lane, Trustee.

Notary Public, State of Texas
Print Name: Robin Eldridge
My Commission Expires: _____

This instrument was acknowledged before me on September 1, 2015, by Robert Michetich, Trustee.

Notary Public, State of Texas
Print Name: Robin Eldridge
My Commission Expires: _____

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

This instrument was acknowledged before me on September 1, 2015, by Clent Brown, Trustee.

Notary Public, State of Texas
Print Name: Robin Eldridge
My Commission Expires: _____

SCHEDULE A

The following is a list of the assets initially transferred by the **City of La Marque**, Settlor, to the Trust:

City of La Marque's first month (October 2015) contributions for Employee, Dependent, and Retiree Medical/Pharmacy Benefits, Dental Benefits, Life Insurance Benefits, Vision, and Short Term Disability Benefits.



CITY COUNCIL AGENDA FORM

Meeting Date: 9/1/15
Prepared by: Suzy Kou
Department: Finance

Agenda item: 8c,d,e,f
Reviewed by: Carol Buttler

AGENDA ITEM DESCRIPTION: Discussion/possible action adopting the City of La Marque's Investment Policy as Employee Benefits Trust's Investment Policy; designating City of La Marque's Depository as Employee Benefits Trust's Depository; designating City of La Marque's signatories as Employee Benefits Trust's authorized signatories; designating and authorizing the annual auditors for the City of La Marque to conduct an audit for the City of La Marque Employee Benefits Trust at such time that the audit of for the City of La Marque is conducted.

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Attachments for reference

Staff Briefing: Per Texas Insurance Code, the Employee Benefits Trust is required to have its Investment Policy, designated depository and authorized signatories, and subject to annual audit conducted by independent auditors as approved by Employee Benefits Trust Trustees.

History (if applicable):

Target Implementation: September 1, 2015

Significant Action Dates:

Action:

☐

Ordinance

☐

Resolution

☐

Proclamation

☐

Special Presentation

☐

Finance Report

☐

Public Hearing

☐

Other (be Specific)

☒

Check box if there is no conflict with City Charter, ordinances, resolutions, or policies.

Cost Details:

Budgeted	
Actual Bid	
Estimated Expenditure	
Acct. Name	
Line Items #	
Other Funding	

Staff's Recommendation: Motion to approve:

- Adopting the City of La Marque's Investment Policy as Employee Benefits Trust's Investment Policy;
- designating City of La Marque's Depository as Employee Benefits Trust's Depository;



CITY COUNCIL AGENDA FORM

- designating City of La Marque's signatories as Employee Benefits Trust's authorized signatories;
- designating and authorizing the annual auditors for the City of La Marque to conduct an audit for the City of La Marque Employee Benefits Trust at such time that the audit of for the City of La Marque is conducted.

Fiscal Impact: N/A



CITY COUNCIL AGENDA FORM

Meeting Date: 9/1/15
 Prepared by: Suzy Kou
 Department: Finance

Agenda item: 8g
 Reviewed by: Carol Buttler

AGENDA ITEM DESCRIPTION: Discussion/possible action to award United Healthcare a bid for Employees Medical and Pharmacy Insurance.

- ☒ Attachments for reference
1. Gallagher Plan year benefits analysis
 2. City budget cost analysis

Staff Briefing:

- Per Council approval, Gallagher began the bidding process in search of qualified medical, pharmacy, dental, vision, and life insurance for City employees/retirees covering plan year October 1, 2015 through September 30, 2016.
- All bids were submitted to the Benefits Committee for review along with Gallagher's representative.
- After comprehensive discussions and consideration, the Benefits Committee reached a consensus to recommend United Healthcare as provider for employees Medical and Pharmacy insurance.

History (if applicable):

Target Implementation: October 1, 2015

Significant Action Dates:

- **August 21, 2015-** City Benefits Committee received bids from Gallagher.
- **August 26, 2015-** Benefits Committee met with Gallagher to determine final recommendation to Council.

Action:

- | | |
|--|---|
| ☐ Ordinance | ☐ Resolution |
| ☐ Proclamation | ☐ Special Presentation |
| ☐ Finance Report | ☐ Public Hearing |
| ☒ Other | |
| ☒ Check box if there is no conflict with City Charter, ordinances, resolutions, or policies. | |

Cost Details:	
Budgeted	722,028.56
Actual Bid	661,605.79
Estimated Expenditure	661,605.79
Acct. Name	See attached
Line Items #	
Other Funding	



CITY COUNCIL AGENDA FORM

Staff's Recommendation: Motion to award United Healthcare a bid for Employees Medical and Pharmacy Insurance.

Fiscal Impact: \$661,605.79 with premium savings of around \$10,000.

City of La Marque



2015-2016 Plan Year Benefit Analysis

Prepared by

Burke O. Sunday, LHIC
Gallagher Benefit Services, Inc.
245 Commerce Green Blvd., Suite 290
Sugar Land, Texas 77478



Arthur J. Gallagher & Co.
BUSINESS WITHOUT BARRIERS™



South Central Region



Public Sector Practice

City of La Marque



2015-2016 Plan Year Medical/Rx Plan Financial/Benefit Analysis

UHC BAFO - PPO Only

	Humana Current	Humana Renewal	Aetna	Blue Cross Blue Shield	Nippon	United PPO
Employee (95)	\$452.75	\$538.77	\$534.40	\$526.25	\$511.87	\$473.57
Employee+Spouse (2)	\$1,054.91	\$1,255.34	\$1,245.15	\$947.25	\$1,342.01	\$1,103.42
Employee+Children (5)	\$900.98	\$1,072.16	\$1,063.46	\$1,210.38	\$1,008.41	\$942.41
Employee+Family (2)	\$1,367.31	\$1,627.10	\$1,613.89	\$1,210.38	\$1,838.56	\$1,430.19
Total Monthly	\$52,360.59	\$62,308.83	\$61,803.38	\$60,360.91	\$60,030.84	\$54,768.42
Total Yearly	\$628,327.08	\$747,705.96	\$741,640.56	\$724,330.92	\$720,370.08	\$657,221.04
Variance to Current		19.00%	18.03%	15.28%	14.65%	4.60%

In-Network

Office Visit Copay	\$25/\$40	\$25/\$40	\$25/\$40	\$25/\$25	\$20/\$40	\$25/\$25/\$50
Deductible (I)	\$1,500	\$1,500	\$1,500	\$1,500	\$2,000	\$1,500
Deductible (F)	\$4,500	\$4,500	\$3,000	\$4,500	\$6,000	\$3,000
Coinsurance %	70%	70%	70%	75%	70%	70%
Out-of-Pocket (I)	\$5,000	\$5,000	\$5,000	\$4,500	\$3,500	\$5,000
Out-of-Pocket (F)	15000 ¹	15000 ¹	\$1,000	\$10,200 ²	\$10,500	\$10,000
Emergency Room	\$150	\$150	70% after \$150	75% after \$100	\$150	70% after \$250
Urgent Care	\$50	\$50	\$50	\$50	\$50	\$75
Pharmacy [R]	\$15/\$35/\$55/25%	\$15/\$35/\$55/25%	\$15/\$35/\$60	\$15/\$40/\$55	\$15/\$30/\$50	\$15/\$35/\$70
Pharmacy (M)	2.5/2.5/2.5/25%	2.5/2.5/2.5/25%	2.5/2.5/2.5	3.0/3.0/3.0	2.0/2.0/2.0	2/5/2.5/2.5

Out-of-Network

Deductible (I)	\$9,000	\$9,000	\$4,500	\$3,000	\$20,000	\$5,000
Deductible (F)	\$27,000	\$27,000	\$9,000	\$9,000	\$40,000	\$10,000
Coinsurance %	50%	50%	50%	50%	50%	50%
Out-of-Pocket (I)	\$15,000	\$15,000	\$15,000	\$9,000	\$30,000	\$10,000
Out-of-Pocket (F)	\$45,000	\$45,000	\$45,000	\$27,000	\$60,000	\$20,000

All figures illustrated include premium tax - EBT will reduce rates by 1.75%

City of La Marque



2015-2016 Plan Year Medical/Rx Plan Financial/Benefit Analysis

UHC BAFO - Dual Choice

	Humana Current	Humana Renewal	Aetna	Blue Cross Blue Shield	Nippon	United PPO	United Kelsey
Employee (95)	\$452.75	\$538.77	\$534.40	\$526.25	\$511.87	\$483.18	\$397.54
Employee+Spouse (2)	\$1,054.91	\$1,255.34	\$1,245.15	\$947.25	\$1,342.01	\$1,125.81	\$926.27
Employee+Children (5)	\$900.98	\$1,072.16	\$1,063.46	\$1,210.38	\$1,008.41	\$961.54	\$791.11
Employee+Family (2)	\$1,367.31	\$1,627.10	\$1,613.89	\$1,210.38	\$1,838.56	\$1,459.21	\$1,200.58
Total Monthly	\$52,360.59	\$62,308.83	\$61,803.38	\$60,360.91	\$60,030.84	\$55,879.84	\$45,975.55
Total Yearly	\$628,327.08	\$747,705.96	\$741,640.56	\$724,330.92	\$720,370.08	\$670,558.08	\$551,706.60
Variance to Current		19.00%	18.03%	15.28%	14.65%	6.72%	-12.19%
In-Network							
Office Visit Copay	\$25/\$40	\$25/\$40	\$25/\$40	\$25/\$25	\$20/\$40	\$25/\$25/\$50	\$25/\$50
Deductible (I)	\$1,500	\$1,500	\$1,500	\$1,500	\$2,000	\$1,500	\$1,500
Deductible (F)	\$4,500	\$4,500	\$3,000	\$4,500	\$6,000	\$3,000	\$3,000
Coinsurance %	70%	70%	70%	75%	70%	70%	70%
Out-of-Pocket (I)	\$5,000	\$5,000	\$5,000	\$4,500	\$3,500	\$5,000	\$5,000
Out-of-Pocket (F)	15000 ¹	15000 ¹	\$1,000	\$10,200 ²	\$10,500	\$10,000	\$10,000
Emergency Room	\$150	\$150	70% after \$150	75% after \$100	\$150	70% after \$250	70% after \$250
Urgent Care	\$50	\$50	\$50	\$50	\$50	\$75	\$75
Pharmacy (R)	\$15/\$35/\$55/25%	\$15/\$35/\$55/25%	\$15/\$35/\$60	\$15/\$40/\$55	\$15/\$30/\$50	\$15/\$35/\$70	\$15/\$35/\$60
Pharmacy (M)	2.5/2.5/2.5/25%	2.5/2.5/2.5/25%	2.5/2.5/2.5	3.0/3.0/3.0	2.0/2.0/2.0	2/5/2.5/2.5	2/5/2.5/2.5
Out-of-Network							
Deductible (I)	\$9,000	\$9,000	\$4,500	\$3,000	\$20,000	\$5,000	\$5,000
Deductible (F)	\$27,000	\$27,000	\$9,000	\$9,000	\$40,000	\$10,000	\$10,000
Coinsurance %	50%	50%	50%	50%	50%	50%	50%
Out-of-Pocket (I)	\$15,000	\$15,000	\$15,000	\$9,000	\$30,000	\$10,000	\$10,000
Out-of-Pocket (F)	\$45,000	\$45,000	\$45,000	\$27,000	\$60,000	\$20,000	\$20,000

All figures illustrated include premium tax - EBT will reduce rates by 1.75%

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City of La Marque



2015-2016 Plan Year Dental Plan Financial/Benefit Analysis

	Principal Current	Principal Renewal	Blue Cross Blue Shield	Guardian	MetLife	Aetna	Nippon
Employee (55)	\$15.82	\$16.75	\$29.85	\$19.72	\$19.45	<i>Did</i>	<i>Did</i>
Employee+Spouse (10)	\$32.29	\$34.19	\$53.75	\$40.03	\$40.23	<i>Not</i>	<i>Not</i>
Employee+Children (4)	\$46.63	\$49.38	\$68.66	\$50.62	\$50.51	<i>Quote</i>	<i>Quote</i>
Employee+Family (9)	\$66.78	\$70.72	\$92.54	\$75.69	\$77.05		
Total Monthly	\$1,980.54	\$2,097.15	\$3,286.75	\$2,368.59	\$2,367.54		
Total Yearly	\$23,766.48	\$25,165.80	\$39,441.00	\$28,423.08	\$28,410.48		
Variance to Current		5.89%	65.95%	19.59%	19.54%		
Contracted Dentist/Non-Contracted Dentist							
Deductible (I)	\$50	\$50	\$50	\$50	\$50		
Deductible (F)	\$150	\$150	\$150	\$150	\$150		
Preventive	100%	100%	100%	100%	100%		
Basic	80%	80%	80%	80%	80%		
Major	50%	\$505	\$50	\$50	\$50		
Maximum Annual Benefit	\$1,000	\$1,000	\$1,500	\$1,500	\$1,500		
Orthodontics	50%	50%	50%	50%	50%		
Lifetime Maximum [C]	\$1,000	\$1,000	\$1,500	\$1,500	\$1,500		

All figures illustrated include premium tax - EBT will reduce rates by 1.75%

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City of La Marque



2015-2016 Plan Year Vision Plan Financial/Benefit Analysis

	Principal Current	Principal Renewal	Blue Cross Blue Shield	Guardian	MetLife	Aetna	Nippon
Employee (55)	\$8.87	\$9.36	<i>Did Not Quote</i>	\$7.08	\$6.75	<i>Did Not Quote</i>	<i>Did Not Quote</i>
Employee+Spouse (3)	\$16.11	\$16.11		\$11.92	\$13.53		
Employee+Children (7)	\$17.67	\$17.67		\$12.15	\$11.45		
Employee+Family (7)	\$24.91	\$26.28		\$19.23	\$18.88		
Total Monthly	\$834.24	\$870.78		\$644.82	\$624.15		
Total Yearly	\$10,010.88	\$10,449.36		\$7,737.84	\$7,489.80		
Variance to Current		4.38%		-22.71%	-25.18%		
Contracted Provider/Non-Contracted Provider							
Eye Exam benefit	\$50	\$50		\$10/\$39	\$10/\$45		
Lenses Benefit							
Single Vision	\$50	\$50		\$25/\$23 max	\$25/\$30		
Bifocal	\$75	\$75		\$25/\$37 max	\$25/\$50		
Trifocal	\$100	\$100		\$25/\$49 max	\$25/%65		
Lenticular	\$150	\$150		\$25/\$64 max	\$25/\$100		
Contact Lenes Benefit							
Medically Necessary	\$150	\$150		Copay/\$210 max	Copay/\$210		
Elective	\$150	\$150		\$130 max/\$100 max	\$150/\$105		
Frames Benefit	\$100	\$100		\$130 ret max +20% \$46 max out	\$150/\$70		

All figures illustrated include premium tax - EBT will reduce rates by 1.75%

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City of La Marque



2015-2016 Plan Year Medical/Rx and Dental Plan Financial/Benefit Analysis

Disclaimers

- The intent of this analysis is to provide you with general information regarding the status of, and/or potential concerns related to your current employee benefits environment. It does not necessarily fully address all of your specific issues. It should not be construed as, nor is it intended to provide legal advice. Questions regarding specific issues should be addressed by your general counsel or an attorney who specializes in this practice area.
- This analysis is for illustrative purposes and is not a guarantee of future expenses, claims, costs, managed care savings, etc. There are many variables that can affect future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. Please see your policy or contact us for specific information for further details in this regard.
- This proposal is an outline of the coverage proposed by the carrier(s), based on information provided by your company. It does not include all of the terms, coverages, exclusions, limitations, and conditions of the actual contract language. The policies and contracts themselves must be read for those details. Policy forms for your reference will be made available upon request.

HEALTH INSURANCE 2015-16

Dept No	Depts	Budget 2015-16	UHC	Dental	Life	Total	Prem Saving thru Trust	Net	Variance
01-01	Admin	12,000.00	11,365.68	466.80	240.00	12,072.48	190.16	11,882.33	117.68
01-04	HR	6,000.00	5,682.84	233.40	120.00	6,036.24	95.08	5,941.16	58.84
02	Finance	24,000.00	22,731.36	933.60	480.00	24,144.96	380.31	23,764.65	235.35
03	Dev Serv	18,000.00	17,048.52	700.20	360.00	18,108.72	285.23	17,823.49	176.51
04	Court	30,000.00	28,414.20	1,167.00	600.00	30,181.20	475.39	29,705.81	294.19
05	Police	226,974.80	178,564.39	24,567.40	3,590.00	206,721.79	2,768.25	203,953.54	23,021.26
06	Fire/EMS	126,000.00	113,656.80	4,668.00	2,400.00	120,724.80	1,901.55	118,823.25	7,176.75
07	City Clerk	6,000.00	5,682.84	233.40	120.00	6,036.24	95.08	5,941.16	58.84
08	Library	20,000.00	22,731.36	933.60	480.00	24,144.96	380.31	23,764.65	-3,764.65
12	Public Services	75,000.00	85,242.60	3,501.00	1,800.00	90,543.60	1,426.16	89,117.44	-14,117.44
13	IT	11,155.04	11,365.68	466.80	240.00	12,072.48	190.16	11,882.33	-727.28
99	Retirees	19,558.80	22,731.36			22,731.36	380.31	22,351.05	-2,792.25
GF		574,688.64	525,217.63	37,871.20	10,430.00	573,518.83	8,567.98	564,950.86	9,737.79
21	UB	28,371.85	17,048.52	700.20	360.00	18,108.72	285.23	17,823.49	10,548.36
22	Lines Maint	56,743.70	73,876.92	3,034.20	1,560.00	78,471.12	1,236.01	77,235.11	-20,491.41
24	WS Operations	56,743.70	39,779.88	1,633.80	840.00	42,253.68	665.54	41,588.14	15,155.56
Utility		141,859.25	130,705.32	5,368.20	2,760.00	138,833.52	2,186.78	136,646.74	5,212.51
19	EDC	5,480.67	5,682.84	233.40	120.00	6,036.24	95.08	5,941.16	-460.49
Grand		722,028.56	661,605.79	43,472.80	13,310.00	718,388.59	10,849.84	707,538.76	14,489.81



CITY COUNCIL AGENDA FORM

Meeting Date: 9/1/15
 Prepared by: Suzy Kou
 Department: Finance

Agenda item: 8h
 Reviewed by: Carol Buttler

AGENDA ITEM DESCRIPTION: Discussion/possible action to award MetLife a bid for Employees Dental Insurance.

- ☒ Attachments for reference
1. Gallagher Plan year benefits analysis
 2. City budget cost analysis

Staff Briefing:

- Per Council approval, Gallagher began the bidding process in search of qualified medical, pharmacy, dental, vision, and life insurance for City employees/retirees covering plan year October 1, 2015 through September 30, 2016.
- All bids were submitted to the Benefits Committee for review along with Gallagher's representative.
- After comprehensive discussions and consideration, the Benefits Committee reached a consensus to recommend MetLife as provider for employees' Dental insurance.

History (if applicable):

Target Implementation: October 1, 2015

Significant Action Dates:

- **August 21, 2015-** City Benefits Committee received bids from Gallagher.
- **August 26, 2015-** Benefits Committee met with Gallagher to determine final recommendation to Council.

Action:

- | | |
|---|---|
| ☐ Ordinance | ☐ Resolution |
| ☐ Proclamation | ☐ Special Presentation |
| ☐ Finance Report | ☐ Public Hearing |
| ☒ Other (be Specific) | |

- ☒ Check box if there is no conflict with City Charter, ordinances, resolutions, or policies.

Cost Details:	
Budgeted	722,028.56
Actual Bid	43,472.80
Estimated Expenditure	43,472.80
Acct. Name	See attached
Line Items #	
Other Funding	



CITY COUNCIL AGENDA FORM

Staff's Recommendation: Motion to award MetLife a bid for Employees Dental Insurance.

Fiscal Impact: \$43,472.80



CITY COUNCIL AGENDA FORM

Meeting Date: 9/1/15
 Prepared by: Suzy Kou
 Department: Finance

Agenda item: 8i
 Reviewed by: Carol Buttler

AGENDA ITEM DESCRIPTION: Discussion/possible action to award MetLife a bid for Voluntary Employees Vision Insurance.

- ☒ Attachments for reference
1. Gallagher Plan year benefits analysis
 2. City budget cost analysis

Staff Briefing:

- Per Council approval, Gallagher began the bidding process in search of qualified medical, pharmacy, dental, vision, and life insurance for City employees/retirees covering plan year October 1, 2015 through September 30, 2016.
- All bids were submitted to the Benefits Committee for review along with Gallagher's representative.
- After comprehensive discussions and consideration, the Benefits Committee reached a consensus to recommend MetLife as provider for employees Voluntary Vision insurance.

History (if applicable):

Target Implementation: October 1, 2015

Significant Action Dates:

- **August 21, 2015-** City Benefits Committee received bids from Gallagher.
- **August 26, 2015-** Benefits Committee met with Gallagher to determine final recommendation to Council.

Action:

- | | |
|---|---|
| ☐ Ordinance | ☐ Resolution |
| ☐ Proclamation | ☐ Special Presentation |
| ☐ Finance Report | ☐ Public Hearing |
| ☒ Other (Be specific) | |

- ☒ Check box if there is no conflict with City Charter, ordinances, resolutions, or policies.

Cost Details:	
Budgeted	
Actual Bid	
Estimated Expenditure	
Acct. Name	See attached
Line Items #	
Other Funding	



CITY COUNCIL AGENDA FORM

-
1. Staff's Recommendation: Motion to award MetLife a bid for Voluntary Employees Vision Insurance.

Fiscal Impact: N/A



CITY COUNCIL AGENDA FORM

Meeting Date: 9/1/15
Prepared by: Suzy Kou
Department: Finance

Agenda item: 8j
Reviewed by: Carol Buttler

AGENDA ITEM DESCRIPTION: Discussion/possible action to award MetLife a bid for Employees Base Life Insurance and Voluntary Supplemental Life Insurance.

☒ Attachments for reference

1. Gallagher Plan year benefits analysis
2. City budget cost analysis

Staff Briefing:

- Per Council approval, Gallagher began the bidding process in search of qualified medical, pharmacy, dental, vision, and life insurance for City employees/retirees covering plan year October 1, 2015 through September 30, 2016.
- All bids were submitted to the Benefits Committee for review along with Gallagher's representative.
- After comprehensive discussions and consideration, the Benefits Committee reached a consensus to recommend MetLife as provider for employees Base Life insurance and Voluntary Supplemental Life insurance.

History (if applicable):

Target Implementation: October 1, 2015

Significant Action Dates:

- **August 21, 2015-** City received bids proposed rates from Gallagher.
- **August 26, 2015-** Benefits Committee met with Gallagher to determine final recommendation to Council.

Action:

☐

Ordinance

☐

Resolution

Cost Details:	
Budgeted	722,028.56
Actual Bid	13,310
Estimated Expenditure	13,310
Acct. Name	See attached



CITY COUNCIL AGENDA FORM

☐

Proclamation

☐

Special Presentation

☐

Finance Report

☐

Public Hearing

☒

Other (be Specific)

Line Items #	
Other Funding	

☒

Check box if there is no conflict with City Charter, ordinances, resolutions, or policies.

Staff's Recommendation: Motion to award MetLife a bid for Employees Base Life Insurance and Voluntary Supplemental Life Insurance.

Fiscal Impact: \$13,310



CITY COUNCIL AGENDA FORM

Meeting Date: 9/1/15
 Prepared by: Suzy Kou
 Department: Finance

Agenda item: 10
 Reviewed by: Carol Buttler

AGENDA ITEM DESCRIPTION: Discussion/possible action regarding Resolution No. **R-2015-0030**, authorizing the funding of monthly benefit insurance contracts as approved in Employee Benefits Trust meeting.

- ☒ Attachments for reference
 1. Resolution

Staff Briefing: Per approvals in Employee Benefits Trust meeting, staff is requesting City Council to approve funding the Trust with monthly insurance premiums starting October 2015.

History (if applicable):

Target Implementation: September 1, 2015

Significant Action Dates:

- **September 1, 2015**- Creation of Employee Benefits Trust.
- **September 1, 2015**- Employee Benefits Trust meeting to designate Trustees and approve activities per attached agenda list.

Action:

- ☐ Ordinance ☒ Resolution
☐ Proclamation ☐ Special Presentation
☐ Finance Report ☐ Public Hearing
☐ Other (be Specific)
☒ Check box if there is no conflict with City Charter, ordinances, resolutions, or policies.

Cost Details:	
Budgeted	\$722,028.56
Actual Bid	\$707,538.76
Estimated Expenditure	\$707,538.76
Acct. Name	
Line Items #	
Other Funding	

Staff's Recommendation: Motion to adopt Resolution No. **R-2015-0030**, authorizing the funding of monthly benefit insurance contracts as approved in Employee Benefits Trust meeting.

Fiscal Impact: \$707,538.76 net of premium savings of around \$10,000.

RESOLUTION NO. R- 2015-0030

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA MARQUE, TEXAS, AUTHORIZING THE FUNDING OF THE VARIOUS INSURANCE CONTRACTS FOR THE 2015-2016 PLAN YEAR AWARDED BY THE LA MARQUE EMPLOYEE BENEFITS TRUST

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LA MARQUE, TEXAS:

Section 1. Findings. That the City Council hereby authorizes the funding of the various insurance contracts for the 2015-2016 plan year awarded by the La Marque Employee Benefits Trust.

Section 2. Open Meetings. It is hereby officially found and determined that the meeting at which this resolution was passed was open to the public as required and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act, *Chapter. 551, Tex. Gov't Code*.

PASSED and ADOPTED on this 1st day of September, 2015.

CITY OF LA MARQUE, TEXAS

Bobby Hocking, Mayor

ATTEST:

Robin Eldridge, City Clerk

APPROVED AS TO FORM:

Ellis J. Ortego, City Attorney