

CITY OF KERRVILLE, TEXAS EMPLOYEE BENEFITS TRUST JULY 28, 2020

CALL TO ORDER: On July 28, 2020, the City of Kerrville Employee Benefits Trust was called to order at 4:01 p.m. in the City Hall Council Chambers, 701 Main Street, Kerrville, Texas.

COUNCILMEMBERS PRESENT:

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| Bill Blackburn | Mayor |
| Judy Eychner | Mayor Pro Tem |
| Kim Clarkson | Councilmember |
| Gary Cochrane | Councilmember |
| Delayne Sigerman | Councilmember |

COUNCILMEMBER ABSENT:

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| Kim Clarkson | Councilmember (Joined the EBT meeting at 4:07 p.m.) |
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CITY EXECUTIVE STAFF PRESENT:

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| Mark McDaniel | City Manager |
| E.A. Hoppe | Deputy City Manager |
| Mike Hayes | City Attorney |
| Shelley McElhannon | City Secretary |
| Kim Meismer | Executive Director for General Operations (provided presentation over Zoom) |

VISITORS PRESENT:

No citizens were present at the City Council workshop due to the COVID-19 pandemic restrictions and the Governor's Disaster Declaration on March 16, 2020; public participation and engagement was offered through Zoom by telephone, written comments, and by email.

1. CONSIDERATION AND POSSIBLE ACTION:

1.A. Approval of the Fiscal Year 2021 employee benefit plans and rates.

Kim Meismer noted that within Chapter 222.002 of the Texas Insurance Code, there is an annual tax in the amount of 1.75% imposed on insurers for gross premiums received from policyholders. Gross premiums paid by a municipality, county, or hospital district are exempt from the tax being collected by their insurer if the municipality, county, or hospital district establishes either a single entity benefit trust or establishes or participates in a Chapter 172 risk pool. In July 2008, City Council approved a resolution to create the Employee Benefit Trust (EBT). Since the inception of the EBT, the tax savings to the city has now totaled \$548,662.00.

Ms. Meismer noted that Blue Cross Blue Shield (BCBS) offered a final bid of 8% increase over FY2020, with a bundled benefits package and with no plan changes, BCBS has a high satisfaction rate among the City's plan members, and BCBS is

well received by the area medical community.

Ms. Meismer recommended that council, acting as the trustees of the EBT, approve the following:

- The city's contribution for employee benefits be budgeted at \$8,642 per employee for FY2021.
- Authorize the use of funds from the Employee Benefit Reserve account, if needed.
- Authorize the city manager to sign the contracts with the following providers:
 - Medical: Blue Cross Blue Shield of Texas
 - Dental: Blue Cross Blue Shield/Dearborn National
 - Vision: Dearborn National
 - Group Life & AD&D, Voluntary Life & AD&D, and Short Term Disability: Blue Cross Blue Shield/Dearborn National
 - Voluntary Life & AD&D: Blue Cross Blue Shield/Dearborn National
 - Voluntary Short Term Disability: Blue Cross Blue Shield/Dearborn National

Councilmember Judy Eychner moved to approve the FY2021 plans and rates as presented, and Councilmember Delayne Sigerman seconded. The motion passed 5-0.

ADJOURN.

The City of Kerrville Employee Benefits Trust meeting adjourned at 4:13 p.m.

APPROVED BY COUNCIL/KERRVILLE EMPLOYEE BENEFITS TRUST BOARD:

8/11/2020

APPROVED:

Bill Blackburn
Bill Blackburn, Mayor/Chairman

ATTEST:

Shelley McElhanon
Shelley McElhanon, City Secretary