

**DRAFT**



**DRAFT**

## **MINUTES**

### **GENERAL GOVERNMENT AND FINANCE (GGAF) ADVISORY SUBCOMMITTEE OF THE CITY OF GEORGETOWN, TEXAS**

The General Government and Finance (GGAF) Advisory Subcommittee met at **1:30 p.m.** on **Monday, October 5, 2009**, in the **City Hall Main Floor Conference Room**, located at **113 East 8<sup>th</sup> Street**, Georgetown, Texas.

**Members Present:** Keith Brainard, Chair, Patty Eason, Dale Ross

**Members Absent:** None

**Staff Present:** Micki Rundell, Chief Financial Officer, Paul Brandenburg, City Manager, Laurie Brewer, Assistant Director of Finance and Administration, Kevin Russell, Mike Stasny, Chris Foster, Jennifer Bills,

***Keith Brainard welcomed everyone to the meeting and called the meeting to order at 1:35 p.m.***

#### ***1. Review of staff recommendations on health care proposals.***

Kevin Russell gave an overview presentation on the City of Georgetown's current efforts to establish and maintain a competitive position in its defined market. HR Staff and the Benefits Committee reviewed the proposals from the providers for insurance coverage and Kevin presented their recommendations that will go to Council next Tuesday October 13<sup>th</sup> with regards to approving the contracts for next year. Current renewal or health insurance came in at over 85.5%. He explained that a rise in healthcare claims have risen to \$3.35 million vs. \$1.2 million over the prior year. That cost is equated to about 7% of our benefit population, attributed to several large claims. Kevin explained that in continuing with Council's feedback over the past years, health coverage has been changed to include a larger contribution by the employees in the areas of co-insurance and deductibles. Employee contribution was also increased in the area of office co-pays to reduce the rates to a more manageable percentage increase.

To ensure the City remains competitive with its benefits, City contributions were also looked at and recommendations for increases and/or continuation/elimination of supplements/contributions are being made in the following areas: Dependent/family supplement; opt out supplement; HAS contribution. Council action will be required to authorize City supplements and/or incentives and to authorize the city to enter into benefits contracts. The budget was presented with at 15% increase in benefits.

Staff has worked to come up with a recommendation that stays within the increases allowed for in the budget. The City will use the previously allocated money that was going to be contributed to the employees' HSA account to help "buy-down" and decrease premium costs, and educate employees on how they can contribute to their HSA and build up that account by using their longevity pay, etc. **Staff recommendation will be to go with Texas Municipal League (TML) as the City health insurance provider.**

There was discussion and explanation of the option of "opting out" of City insurance coverage and the effects it would have.

## **2. Review of RFP for 457 providers.**

Kevin explained that the City provides access to a 457b plan to its employees. Currently, ICMA-RC is the only provider available to employees. Although this is a program that the City offers to its employees and there are no City funds involved, no requirement that proposals or bids be requested when adding providers, the City will be going out for proposal to secure the best services for its employees. Kevin explained that this is a pass through program; there is no cost to the city. It was discussed and decided that it should be an RFQ instead of RFP.

**Keith views this initial process as a guide. He would like to have interviews with more qualified people and allow them give demos and explain what they have to offer and to see if they can beat the current provider, and to include the current provider. He would like to involve the Employee Benefits Committee in the selection. Kevin asked Keith to send a list of providers.**

## **3. Meeting adjourned at 2:25 p.m.**