



The City of Liberty
City Council
Special Called Meeting
~ Agenda ~

1829 Sam Houston
Liberty, TX 77575
www.cityofliberty.org

April Gilliland
City Secretary
936-336-3684

Thursday, August 20, 2020

12:00 PM

City Hall - Liberty Center

The City Council of Liberty, Texas reserves the right to meet in closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551 of the Texas Government Code.

I. CALL TO ORDER

Attendee Name	Present	Absent	Late	Arrived
Mayor Carl Pickett	☐	☐	☐	
Mayor ProTem Diane Driggers	☐	☐	☐	
Council Member Dennis Beasley	☐	☐	☐	
Council Member Libby Simonson	☐	☐	☐	
Council Member David Arnold	☐	☐	☐	
Council Member Chipper Smith	☐	☐	☐	
Council Member Neal Thornton	☐	☐	☐	

II. ACKNOWLEDGEMENT OF GUESTS AND VISITORS / CITIZENS FORUM

Public Comment is reserved for members of the public who would like to address the City Council regarding agenda and non-agenda items. Please be aware that, under Texas Law, the Council may not deliberate or take any action during Citizen's comments for items not on the agenda. In some situations, City Staff may be able to respond to the public comment with a factual statement or clarification. The City Council may have the item placed on a future agenda for action or refer the item to Management and Staff for study or conclusion.

III. REGULAR AGENDA

A. Work Session

1. Work Session (ID # 4872)

Discussion regarding the proposed Employee Health Insurance Changes for the 2020-2021 Fiscal Year.

B. Regular Session

1. Resolution (ID # 4873)

Consider a Resolution approving amendments to the Summary Plan Description for the City of Liberty Employee Health Care Plan

- City of Liberty SPD Domestic Partner Amendment August 14 2020 (DOCX)

2. Resolution (ID # 4874)

Consider a Resolution approving the Request for Proposal award for employee health insurance.

IV. ADJOURNMENT

A. Motion To: Adjourn

I certify that the attached Notice of Meeting was posted on the bulletin board and in the Message Centers located on the east and west sides of the City Hall Administration Building, located at 1829 Sam Houston on the 17th day of August, 2020 at 12:00 p.m. This notice will remain so posted continuously for at least 72 hours preceding the scheduled time of said meeting in accordance with Chapter 551 of the Texas Government Code.

April Gilliland

April Gilliland, City Secretary

NOTICE

In compliance with the Americans with Disabilities Act, the City of Liberty will provide reasonable accommodation for persons attending and/or participating in this Council Meeting. To better serve you, requests must be made at least 24 hours prior to the meeting. Contact the City at (936) 336-3684 or by Fax at (936) 336-9846. The building is wheelchair accessible, with parking available, on the west side of the building.

I certify that the attached Notice and Agenda of items to be considered by the City Council was removed by me from the bulletin board at the City Hall on the _____ day of _____, 2020.



The City of Liberty

City Council
1829 Sam Houston
Liberty, TX 77575

3.A.1

Meeting: 08/20/20 12:00 PM

Department: Administration
Category: Insurance

WORK SESSION (ID # 4872)

DOC ID: 4872

Fiscal Year 2021 Health Insurance Proposal

Background: The City solicited and received health proposals for Fiscal Year 2020-2021 from Jim Hall Insurance and TWFG-Milton Fregia. Both agents submitted multiple plans from United Health Care and Blue Cross Blue Shield. Additionally, Jim Hall Insurance submitted plans from National General. Representatives from Jim Hall Insurance and National General will attend the Work Session to discuss the various proposals.

Funding Source: NA

Staff Recommendation: Staff recommends holding the Work Session.



The City of Liberty

City Council
1829 Sam Houston
Liberty, TX 77575

3.B.1

Meeting: 08/20/20 12:00 PM

Department: Administration
Category: Insurance

RESOLUTION (ID # 4873)

DOC ID: 4873

Amendments to Health Plan Description

Background: The passage of the Affordable Care Act has resulted in some confusion regarding dependent coverage eligibility. The proposed amendments will clarify who is a dependent, domestic partner and immediate family member. The proposed policy amendment also provides the type of documentation required in order for a dependent to be added to the City's insurance. A copy of the proposed amendment is enclosed.

Funding Source: NA

Staff Recommendation: Staff recommends approval of the Health Insurance Plan Description amendment.

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, A HOME RULE MUNICIPALITY EXISTING UNDER THE LAWS OF THE STATE OF TEXAS, AMENDING THE SUMMARY PLAN DESCRIPTION FOR THE CITY OF LIBERTY'S EMPLOYEE HEALTH CARE PLAN

WHEREAS, The City of Liberty currently provides health insurance to its employees; and

WHEREAS, the City subsidizes the insurance costs for employee's spouses, children, and families; and

WHEREAS, the terms related to Dependents, Domestic Partners, and Immediate Family Members need to be better defined; and

WHEREAS, the Amendment to the Summary Plan Description for the City of Liberty Employee Health Care Plan, attached hereto, provides a better definition of the terms outlined above.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Liberty, Texas hereby approves the Amendment to the Summary Plan Description for the City of Liberty Employee Health Care Plan attached hereto as Exhibit A.

PASSED AND APPROVED this 20th day of August, 2020.

CITY OF LIBERTY, TEXAS

Resolution (ID # 4873)
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City Council Meeting

August 20, 2020

Carl Pickett, Mayor

ATTEST:

April Gilliland, City Secretary

AMENDMENT TO THE SUMMARY PLAN DESCRIPTION FOR THE CITY OF LIBERTY EMPLOYEE HEALTH CARE PLAN

Effective October 1, 2020, the following changes are made to the Summary Plan Description for the City of Liberty Employee Health Care Plan (“Plan”).

- The “**Dependent**” provision in the “**DEFINITIONS GLOSSARY**” section is amended, and restated in its entirety, as follows:

Dependent

A Dependent is:

1. The Employee's lawful spouse or Domestic Partner; or
2. A child, who is under 26 years of age, that is:
 - a. the Employee's naturally born child;
 - b. the Employee's legally adopted child;
 - c. a child that is placed for adoption with the Covered Employee;
 - d. a step-child of the Covered Employee;
 - e. the Covered Employee's Domestic Partner's naturally born child or legally adopted child;
 - f. a child for which the Covered Employee is the court appointed legal guardian; or
 - g. a child for whom the Employee is required to provide medical coverage by court or qualified medical support order.

If an unmarried child is age 26 or older, the child will be considered a Dependent if the Employee provides the City documentation the child is not capable of self-sustaining employment or engaging in the normal and customary activities of a person of the same age because of mental incapacity or physical handicap. The child must also be chiefly dependent on the Covered Employee or on the Covered Employee's Domestic Partner for financial support. Employee shall provide documentation the child meets these requirements at the same time the employee first enrolls for coverage under this Plan, or within 31 days after the child reaches the normal age for termination. Additional proof may be requested periodically.

When the earliest of the following occurs – (1) the child attains age 26; or, (2) the child is over age 26 and is married or is capable of self-sustaining employment because he or she is no longer mentally incapacitated or physically handicapped – a child will no longer be a Dependent on the first Billing Period following such event.

- The “**Domestic Partner**” provision in the “**DEFINITIONS GLOSSARY**” section is amended, and restated in its entirety, as follows:

Domestic Partner

A Domestic Partner is a person of the same or opposite gender who resides with the Employee in a long-term relationship of indefinite duration. The partners have an exclusive mutual commitment to be jointly responsible for each other's common welfare and share financial obligations. The Domestic Partner must meet all of the following requirements:

1. Be at least 18 years of age;
2. Be competent to enter into a contract;

3. Not be related by blood to a degree of closeness that would prohibit legal marriage in the state in which he or she legally resides; and
4. Have resided in a common residence with the Employee for at least 30 days immediately prior to the time of enrollment under this Plan.

A Domestic Partner must provide the City documentation they have resided in a common residence with the Employee. Proof of common residency must show the individual Domestic Partner's name and reflect the shared common address with the Employee. Following are acceptable forms of proof:

- a. State issued driver's license or identification (ID) card.
- b. US Government issued photo ID card.
- c. US or Foreign Passport.
- d. Tribal or Military ID card.

Proof that the Domestic Partner relationship continues to exist may be requested by the City periodically, but not more often than annually.

For purposes of this Plan, any and all references to "spouse" are extended to include Domestic Partner.

- The "Immediate Family Member" provision in the "DEFINITIONS GLOSSARY" section is amended, and restated in its entirety, as follows:

Immediate Family Member

An Immediate Family Member is:

1. Employee, Employee's spouse or Domestic Partner; or
2. The children, brothers, sisters and parents of Employee, Employee's spouse or Domestic Partner; or
3. The spouses of the children, brothers and sisters of Employee or Employee's spouse; or
4. Anyone with whom a Covered Person has a relationship based on a legal guardianship.

All other provisions of the Summary Plan Description will remain in effect. This amendment to the Summary Plan Description is hereby adopted by the Plan Sponsor.

Date: _____

**Plan Sponsor
(Employer)
Representative
Signature:** _____

Name: _____

Title: _____



The City of Liberty

City Council
1829 Sam Houston
Liberty, TX 77575

3.B.2

Meeting: 08/20/20 12:00 PM

Department: Administration
Category: Insurance

RESOLUTION (ID # 4874)

DOC ID: 4874

Subject: Employee Health, Dental, Vision and Life Insurance

Background: On July 23, 2020, proposals were received for employee health, dental vision and life insurance for the Fiscal Year 2021. Two insurance agents submitted a total of four (4) quotes from health insurance companies and a total fourteen (14), quotes from dental and vision insurance companies. Several of the health, dental and vision plans submitted by the insurance agents were the same plans from the same insurance companies. One (1) quote was received for life insurance from Mutual of Omaha through Jim Hall Insurance. Mutual of Omaha is the City's current carrier for life insurance. The health insurance plans submitted by Jim Hall Insurance and TWFG, Milton Fregia Insurance were from United Health Care (UNC), Blue Cross/Blue Shield (BCBS) and National General. The proposals were reviewed by Naomi Herrington, Assistant City Manager/CFO, Jody Biehunko, Personnel Specialist and Tom Warner, City Manager. Each of the health insurance plans submitted, that are comparable to the City's current plan, would result in an increase in cost ranging from 15% to 39%. The cost increase is a result of -141% loss ratio during the last twelve months. During the last twelve (12) month period, the City paid \$1,142,811 in premiums and had claims totaling \$1,428,800. Based on the review of the employee health proposals received by the City, a National General Plan submitted by Jim Hall Insurance is considered the most advantageous to the employees and City. The National General Plan will increase the health insurance costs by approximately 18%. The deductible for employees will decrease from \$2,000 to \$1,500. Additionally, the co-pay for Child PCP will increase from \$0 to \$20 and Office Visit PCP will increase from \$15 to \$20 and emergency room co-pay will change from deductible and 80% to \$250 co-pay, deductible and 80%. All other benefits will remain the same as our existing insurance plan. Due to the increase in health insurance costs, the employee's contribution for insurance will also increase. The proposed increase in the employee's contribution is provided below:

Employee Only:	Premium Paid by City
Employee/Spouse:	\$281.19/month to \$439.73/month
Employee/Children:	\$200.85/month to \$251.57/month
Employee/Family:	\$350.20/month to \$601.92/month

The dental and vision quotes included a slight decrease in premiums. The quote from Cigna, the current provider, was the quote most advantageous to the City.

Funding Source: Funds are budgeted in the General, Water/Wastewater and Electric Funds for employee health, life, vision and dental insurance.

Staff Recommendation: Staff recommends the proposal for health, dental, vision and life insurance be awarded to Jim Hall Insurance, as described above.

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, A HOME RULE MUNICIPALITY EXISTING UNDER THE LAWS OF THE STATE OF TEXAS, AWARDED THE CONTRACT FOR EMPLOYEE HEALTH INSURANCE AND ESTABLISHING A COST PERCENTAGE FOR EMPLOYEES.

WHEREAS, on July 23, 2020 proposals were received for employee health, dental, vision, and life insurance for the Fiscal Year 2021; and

WHEREAS, two (2) insurance agents submitted a total of four (4) quotes from health insurance companies; and

WHEREAS, the City received a quote for health insurance from National General through Jim Hall Insurance; and

WHEREAS, the City Council finds that the health insurance quote from National General that increased health insurance costs by eighteen percent (18%) submitted by Jim Hall Insurance is the best plan for the City and its employees; and

WHEREAS, the City currently pays one hundred percent (100%) of the premium for employees; and

WHEREAS, due to the increased insurance costs the City Council finds it necessary to set the employee's health insurance contribution for their spouses and dependents at forty percent (40%) and the City's contribution at sixty percent (60%).

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Liberty, Texas hereby approves the health insurance plan from National General that increases the health insurance costs by eighteen percent (18%) through Jim Hall Insurance as presented at the City Council Meeting. Furthermore, the City Council authorizes the Mayor and/or City Manager to execute any documents necessary to finalize the procurement of said insurance as set forth herein. Lastly, the City Council sets the employee's health insurance contribution for their spouses and dependents at forty percent (40%) and the City's contribution at sixty percent (60%).

PASSED AND APPROVED this 20th day of August 2020.

CITY OF LIBERTY, TEXAS

Carl Pickett, Mayor

ATTEST:

City Secretary