THE CITY OF FREEPORT
1201 North Ave. H • Freeport, TX 77541
979.233.3526 • Fax 979.233.8867

AGENDA
REGULAR MEETING
FREEPORT EMPLOYEE BENEFIT TRUST
MONDAY, JULY 15, 2024 AT 6:00 PM

Mayor:	Council Members:	City Manager:
Jerry Cain	Jeff Pena	Lance Petty
	Jarvis Davis	
	George Matamoros	
	Winston Rossow	

THE EMPLOYEE BENEFIT TRUST OF THE CITY OF FREEPORT, TEXAS, WILL MEET ON MONDAY, JULY 15, 2024 AT 6:00 PM, AT THE FREEPORT, POLICE DEPARTMENT, MUNICIPAL COURT ROOM, 430 NORTH BRAZOSPORT BOULEVARD FREEPORT TEXAS

This meeting will be live streamed via YouTube Live and may be accessed on the City of Freeport Facebook page: https://www.facebook.com/freeporttexas or by visiting https://www.youtube.com/@cityoffreeporttx8375/streams

THE MEETING IS BEING HELD FOR THE FOLLOWING PURPOSES:

CONSENT AGENDA:

Consent Agenda items are considered to be routine in nature and may be acted upon in one motion. Any item requiring additional discussion may be withdrawn from the Consent Agenda by the Mayor, Councilmember or City Manager, and acted upon separately.

1. Consideration and possible action on the approval of the Freeport Employee Benefit Trust meeting minutes from July 17, 2023. **(Clarisa Molina)**

2. Designating and Authorizing the Annual Auditors for the City of Freeport to conduct an audit for the City of Freeport Employee Benefit Trust at such time as the audit for the City of Freeport is conducted. **(Cathy Ezell)**

3. Annual review and adoption of an Investment Policy and a list of qualified brokers that are authorized to engage in investment transactions with the City of Freeport Employee Benefit Trust. **(Cathy Ezell)**

TRUST BUSINESS – REGULAR SESSION:

4. Consider and approve proposals for employee medical insurance, dental insurance, Life and AD&D insurance, long term disability insurance, and HRA, HSA, FSA, and COBRA administration. **(Cathy Ezell)**

ADJOURNMENT:

5. Adjourn

Items not necessarily discussed in the order they appear on the agenda. The Council at its discretion may take action on any or all of the items as listed. This notice is posted pursuant to the Texas Open Meeting Act. (Chapter 551, Government Code).

The City Council reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.087 (Economic Development).

ACCESSIBILITY STATEMENT This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's Office at (979) 233-3526.

CERTIFICATE I certify the foregoing notice was posted in the official glass case at the front door of the City Hall, with 24 hours a day public access, 1201 North Avenue H., Freeport Texas, before 6:00 p.m. in accordance with Open Meetings Act.

Clarisa Molina

Clarisa Molina,
City Secretary, City of Freeport, Texas

State of Texas

County of Brazoria

City of Freeport

BE IT REMEMBERED, that the Freeport Employee Benefit Trust, Texas met on Monday, July 17, 2023 at 6:26 p.m. at the Freeport Police Department, Municipal Court Room, 430 North Brazosport Boulevard, Freeport Texas for the purpose of considering the following agenda items:

City Council:	Mayor Brooks Bass Councilman Jerry Cain Councilman Jeff Pena Councilman Mario Muraira Councilman Troy Brimage-Absent
Staff:	Tim Kelty, City Manager Lance Petty, Assistant City Manager/PWD David Olson, Interim City Attorney Betty Wells, City Secretary Cathy Ezell, Finance Director Toby Cohen, IT Manager Donna Fisher, Human Resource Director Jennifer Howell, Police Chief Chris Motley, Fire Chief Staff from, Freeport Fire Department Laura Cramer, GIS

Visitors:	Ron Bachman	David McGinty
	Bobby Petty US Corps Eng	Bryan Williams US Corps Eng
	Steven Parrish 1st Lt. US Army	Toinette Addison US Corps Eng
	Sam Reyna	Kenny Hayes
	Helen Harris	Pamela Dancy
	Manning Rollerson	Ruben Renobato
	Tommy Pearson	Desiree Pearson
	Joe Penfield	Chris Duncan
	David Gibson	Mrs. Rossow
	Jeff Harris	Kelly Bounds
	Robert Brooks	Efren Tobias
	Xenos Ynen	

Call to order.

Mayor Pro Tem Cain the Employee Benefit Trust meeting to order at 6:26 P.M.

CONSENT AGENDA

Annual review and adoption of an Investment Policy and a list of qualified brokers that are authorized to engage in investment transactions with the City of Freeport Employee Benefit Trust.

Designating and Authorizing the Annual Auditors for the City of Freeport to conduct an audit for the City of Freeport Employee Benefit Trust at such time as the audit for the City of Freeport is Conducted.

Consideration and possible action on the approval of the Freeport Employee Benefit Trust meeting minutes from July 17, 2023.

On a motion by Councilman Matamoros, seconded by Councilman Rossow, with a 3-1 vote motion the Consent Agenda passed, Councilman Pena voted “Nay”.

Manning Rollerson asked about the Auditors, Finance Director Cathy Ezell said the City has a new Auditing Firm, Brooks and Watson.

TRUST BUSINESS - REGULAR SESSION

Consider and Approve Renewal Proposals for employee medical insurance, dental insurance, life and disability insurance, vision insurance, and HRA, HSA, and FSA Administration.

Finance Director Cathy Ezell presented to Council Proposals for employee medical insurance, dental insurance, life and disability insurance, vision insurance, and HRA, HSA, and FSA Administration. She said the City went out for bids for health insurance, she said Cigna came back with a 2.1% increase and this was the lowest. She said the proposed budget has this 2.1% increase in it.

On a motion by Mayor Pro Tem Cain, seconded by Councilman Matamoros, with a 3-1 vote Council approved the Proposals for employee medical insurance, dental insurance, life and disability insurance, vision insurance, and HRA, HSA, and FSA Administration, Councilman Pena voted “Nay”.

Adjourn

On a motion by Mayor Pro Tem Cain, seconded by Councilman Matamoros, with all present voting “Aye”,4-0 Mayor Pro Tem Cain adjourned the meeting at 6:32 P.M.

__________________________	______________________________
Mayor, Jerry Cain City of Freeport, Texas	City Secretary, Clarisa Molina City of Freeport, Texas

THE CITY OF FREEPORT
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City Council Agenda Item #2.

Title: Designating and Authorizing the Annual Auditors for the City of Freeport to conduct an audit for the City of Freeport Employee Benefit Trust at such time as the audit for the City of Freeport is conducted.

Date: July 15, 2024

From: Cathy Ezell, Finance Director

Staff Recommendation: Staff recommends that the Employee Benefit Trust designate and authorize the annual auditors for the City of Freeport, BrooksWatson & Co., to conduct an audit for the City of Freeport Benefit Trust at such time as the audit for the City of Freeport is conducted.

Item Summary: Per the Declaration of Trust, the Trustees shall arrange for an annual audit of the Trust's financial affairs by a certified public accountant.

Background Information: BrooksWatson & Co. is the City of Freeport's current auditors and therefore is recommended for the Employee Benefit Trust.

Special Considerations: N/A

Financial Impact: N/A

Board or 3rd Party Recommendation: N/A

Supporting Documentation:
None

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City Council Agenda Item #3.

Title: Annual review and adoption of an Investment Policy and a list of qualified brokers that are authorized to engage in investment transactions with the City of Freeport Employee Benefit Trust.

Date: July 15, 2024

From: Cathy Ezell, Finance Director

Staff Recommendation: Staff recommends adoption the City's Investment Policy, adopted by City Council on Septeber, 18, 2023 which is in accordance with Chapter 2256, Public Funds Investment, of the Texas Government Code.

Item Summary: Per the Declaration of Trust, the Trustees shall adopt an investment policy for its own use and that of its agents making investments. Staff recommends adopting the same policy as the City.

Background Information: In accordance with Chapter 2256, the investment policies must: be written; primarily emphasize safety of principal and liquidity; address investment diversification, yield, and maturity and the quality and capability of investment management; and include:

1. A list of the types of authorized investments in which the investing entity's funds may be invested;
2. The maximum allowable stated maturity of any individual investment owned by the entity;
3. For pooled fund groups, the maximum dollar-weighted average maturity allowed based on the stated maturity date for the portfolio;
4. Methods to monitor the market price of investments acquired with public funds;
5. A requirement for settlement off all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis; and
6. Procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the provisions of Section 2256.021.

Special Considerations: N/A

Financial Impact: N/A

Board or 3rd Party Recommendation: N/A

Supporting Documentation:
1. Final Policy

City of Freeport, Texas
Investment Policy

Revised
September 18, 2023

City Freeport
Investment Policy

Table of Contents

I. Policy

It is the policy of the City Freeport (the "City") to administer and invest its funds in a manner that will preserve the principal and maintain the liquidity while meeting the daily cash flow requirements of the City. The City will conform to all federal, state and local statutes, rules and regulations governing the investment of the City's funds.

Not less than annually, City Council shall adopt a written instrument by resolution stating that it has reviewed the Investment Policy and investment strategies and that the written instrument so adopted shall record any changes made to the Investment Policy or investment strategies.

II. Purpose

The purpose of this policy is to provide direction for investing the funds of the City of Freeport and to comply with Chapter 2256 of the Texas Government Code ("Public Funds Investment Act"), which requires each entity to adopt a written investment policy regarding the investment of its funds and any funds under its control. The investment policy addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal management of the City's funds.

III. Scope

This investment policy applies to the safekeeping and investing of all financial assets of the City. These funds are accounted for in the City's Annual Financial Report and include all financial assets of all funds managed by the City, including but not limited to tax revenues, charges for services, bond proceeds, interest income, loans and funds received by the City where the City performs a custodial function. However, this policy does not apply to the assets administered for the benefit of the City by outside agencies under deferred compensation programs or other retirement programs.

IV. General Objectives

The primary objectives, in priority order, of the City's investment activities shall be safety, liquidity, and yield:

A. **Safety –** Safety of the principal is the foremost objective of the investment **program**. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to minimize credit risk and interest rate risk.

   i. **Credit Risk and Concentration of Credit Risk –** The City will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, and concentration of credit risk, the risk of loss attributed to the magnitude of investment in a single issuer, by:

- Limiting investments to the safest types of securities,
- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business, and;
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

ii. **Interest Rate Risk –** The City will manage the risk that the market value of securities in the portfolio will fail due to changes in general interest rates, by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity,
- Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools, and;
- Diversify maturities and stagger purchase dates to minimize the impact of market movements over time.

B. **Liquidity –** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, a portion of the portfolio will be invested in money market mutual funds or local government investment pools that offer same-day liquidity for short-term funds. Additionally, securities held in the portfolio will have active secondary or resale markets.

C. **Public Trust –** All participants in the City's investment process shall seek to act responsibly as custodians of the public trust. Investment officials shall avoid any transaction that might impair public confidence in the City's ability to govern effectively.

D. **Yield –** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is restricted to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

E. **Investments held to Maturity** - Securities shall not be sold prior to maturity with the following exceptions:

1) A security with declining credit may be sold early to minimize loss of principal.
2) Liquidity needs of the portfolio require that the security be sold.

City Council will be informed promptly in the event that a security is sold prior to maturity.

V. Standards of Care

F. **Prudence –** The standard of prudence to be used by investing officials shall be the "prudent person" rule. This rule states that "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." The determination of whether an investing official has exercised prudence with respect to an investment decision shall be applied in the context of managing an overall portfolio rather than a consideration as to the prudence of a single investment.

Investment officials acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion and appropriate action is taken to control unfavorable developments.

G. **Ethics and Conflicts of Interest –** Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution and management of the investment program, or that could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the City any material interests in financial institutions that conduct business with the City. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. (See Exhibit B.)

Furthermore, an investment official who has a personal business relationship with an organization seeking to sell an investment to the City shall file a statement disclosing that personal business interest. An investment official who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the City Council.

H. **Delegation of Authority –** Authority to manage the City's investment program is granted to the Investment Officer (s) as listed in Exhibit A. Responsibility for the operation of the investment program is hereby delegated to the Investment Officer, who shall act in accordance with established procedures and internal controls for the operation of the investment program consistent with this investment policy. This policy includes explicit delegation of authority to persons responsible for investment transactions. (See Exhibit A) No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Investment Officer. The Investment Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate activities of subordinate officials.

I. **Training –** Investment officials must complete at least 10 hours of investment training within 12 months of taking office or assuming duties and shall attend an investment training session not less than once in a two-year period and receive not less than 8 hours of instruction relating to investment responsibilities. The City shall provide the training through courses and seminars offered by professional organizations and associations to insure the quality and capability of the City's investment personnel making investment decisions in compliance with Public Funds Investment Act (PFIA). Professional organizations and associations that may provide investment training included the Government Treasurer's Organization of Texas, the University of North Texas, the Government Finance Officers Association of Texas, or the Texas Municipal League.

J. **Internal Controls –** The Investment Officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (a) the cost of a control should not exceed the benefits likely to be derived and (b) the valuation of costs and benefits requires estimates and judgments by management.

VI. Safekeeping and Custody

A. Authorized Broker/Dealers and Financial Institutions – The Investment Officer will maintain a list of financial institutions and security broker/dealers authorized to provide investment services (Exhibit C) to the City. This list shall be reviewed, revised as necessary and adopted at least annually.

Any person or business entity wishing to be listed as authorized to provide investment services will be required to provide a certification stating the firm has received, read and understood the Entity's investment policy and agree to comply with the policy (Exhibit D). Authorized firms may include primary dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (Uniform Net Capital Rule), and qualified depositories. All investment providers, including financial institutions, banks, money market mutual funds, and local government investment pools, must sign a certification acknowledging that the organization has received and reviewed the Entity's investment policy and that reasonable procedures and controls have been implemented to preclude investment transactions that are not authorized by the Entity's policy. No security, even if otherwise authorized by this policy, may be acquired from an investment provider who has not complied with this requirement.

No securities may be acquired from entities not qualified under this section.

B. **Competitive Purchasing –** The City's policy requires competitive quotes for all individual security purchases and sales except for a) transactions with money market mutual funds and local government investment pools; b) treasury and agency securities purchased at issue through an approved broker/dealer or financial institution; and c) exceptions approved by the Investment Officer on a case by case basis. These exceptions will take into consideration the investment type, maturity date, amount to be invested, and disruption to the City's investment strategy.

Quotes may be accepted orally, in writing, electronically or in any combination of these methods.

C. **Delivery vs. Payment –** All trades apart from investment pools and mutual funds will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities and collateral will be held in the City's name by a third-party custodian as evidenced by safekeeping receipts of the institution with which the securities are deposited.

VII. Suitable and Authorized Investments

A. **Eligible Investments –** Assets of the City may be invested in the following instruments described below. All these investments are authorized by the Public Funds Investment Act. Only those instruments listed in this section are authorized.

1. Obligations of the United States of America, its agencies and instrumentalities

2. Certificates of Deposit issued by a depository institution. The certificate of deposit must be guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor and secured by obligations in a manner and amount as provided by law. In addition, certificates of deposit obtained through a depository institution which are fully collateralized under a pledge agreement approved by the City are authorized investments.

3. No-load Money Market Mutual Funds that 1) are registered and regulated by the Securities and Exchange Commission, 2) have a dollar weighted average stated maturity of 90 days or less, 3) seek to maintain a net asset value of $1.00 per share and 4) are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service.

4. Local Government Investment Pools, authorized by a separate resolution, which meet the requirements of Chapter 2256.016 of the Public Funds Investment Act and are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service.

5. Commercial paper as authorized by Chapter 2256.013 if the commercial paper: 1) has a stated maturity of 270 day or fewer from the date of issuance; and 2) is rated not less than A-1 or P-1 or an equivalent rating by at least: A) two nationally recognized credit rating agencies; or B) one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United Stats or any state.

B. **Collateralization –** Collateralization will be required on all funds on deposit with a depository bank, other than investments. To anticipate market changes and provide a level of security for all funds, the collateralization level will be one hundred two percent (102%) of market value of principal and accrued interest on the deposits, less an amount insured by the FDIC.

Securities pledged as collateral will be held in the City's name by an independent third party with whom the City has a current custodial agreement. The Investment Officer is responsible for entering into collateralization agreements with third party custodians in compliance with this Policy. The agreements are to specify the acceptable investment securities for collateral, including provisions relation to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained. Collateral shall be reviewed at least quarterly to assure that the market value of the pledged securities is adequate.

C. **Existing Investments** – Any investment currently held that does not meet the guidelines of this policy, but were authorized investments at the time of purchase, is not required to be liquidated; however, the City shall take all prudent measures consistent with this Investment Policy to liquidate an investment that does not or no longer qualifies as an authorized investment.

VIII. Investment Parameters

D. **Diversification –** The investments shall be diversified by security type and institution. Except for U.S. Treasury securities and authorized pools, the City will diversify the entire portfolio to comply with the investment strategy; however, in no case shall any single investment transaction be more than five-percent (5%) of the entire portfolio.

E. **Maximum Maturities –** To the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than three (3) years from the date of purchase. The composite portfolio will have a weighted average maturity of 365 days or less. This dollar weighted average maturity will be calculated using the stated final maturity dates of each security.

IX. Investment Strategies

The City maintains separate portfolios for individual funds or groups of funds that are managed according to the terms of this Policy and the corresponding investment strategies listed in Exhibit E. The investment strategy for portfolios established after the annual Investment Policy review and adoption will be managed in accordance with the terms of this Policy and applicable agreements until the next annual review when a specific strategy will be adopted.

The City maintains a pooled fund group that is an aggregation of the majority of City funds including tax receipts, enterprise fund revenues, fine and fee revenues, as well as some, but not all, bond proceeds, and grants. This portfolio is maintained to meet anticipated daily cash needs for City operations, capital projects and debt service.

The objectives of this portfolio are to ensure safety of principal; ensure adequate investment liquidity; limit market and credit risk through diversification; and attain the best feasible yield in accordance with the objectives and restrictions set for in this Policy.

X. Reporting

F. **Methods** – The Investment Officer shall prepare an investment report at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner consistent with the requirements of Section 2256.023 (Internal Management Reports) of the PFIA, and that will allow the City to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should be provided to the City Council.

G. **Annual Audit** - The City's external independent auditor shall formally review the quarterly reports, compliance with this policy, and internal management controls over investments in conjunction with the annual financial audit. The results of the review will be reported to the City Council.

H. Performance Standards – The investment portfolio shall be managed in accordance with the objectives specified in this policy (safety, liquidity, and yield). The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. The Investment Officer shall determine whether market yields are being achieved by comparing the portfolio market yield to the three (3) month U.S. Treasury Bill, the six (6) month U.S. Treasury Bill and the two (2) year U.S. Treasury Note.

I. Marking to Market – The market value of the portfolio shall be calculated at least monthly and a statement of the market value of the portfolio shall be issued at least quarterly. The market value of each investment shall be obtained from an independent source such as the Wall Street Journal, a reputable brokerage firm or security pricing service and reported on the investment reports.

XI. Record Retention

Records related to the City's investment activities will be maintained as recommended by the *Texas State Library Municipal Records Manual.* The Investment Officer, in conjunction with the City Secretary is responsible for filing and storing records of investment activity.

Exhibits

EXHIBIT A

List of Authorized Investment Officers

City of Freeport City Manager

City of Freeport Finance Director

City of Freeport Financial Analyst

EXHIBIT B

Statement of Ethics and Conflicts of Interest

Investment officials for the City Freeport shall refrain from personal business relationships with business organizations that could conflict with the proper execution of the investment program, or which could impair their ability to make partial investment decisions. This would only apply to personal business relationships with business organizations that have been approved by City Council to conduct investment transactions with the City.

An investment official is considered to have a personal business relationship with a business organization if:

(1) The investment official owns 10 percent or more of the voting stock or shares of the business organization or owns $5,000 or more of the fair market value of the business.

(2) Funds received by the investment official from the business organization exceed 10 percent of the investment official's gross income for the previous year.

(3) The investment official has acquired from the business organization during the previous year investments with a book value of $2,500 or more for the personal account of the investment official.

I do hereby certify that I do not have a personal business relationship with any business organization approved to conduct investment transactions with the City Freeport, nor am I related within the second degree by affinity or consanguinity, as determined under Chapter 573, to an individual seeking to sell an investment to the Freeport as of the date of this statement.

City of Freeport
Investment Official

______________________________ _______________
Signature Date

____
Printed Name

____
Title

EXHIBIT C

Approved Broker/Dealers, Financial Institutions and Investment Pools

Broker/Dealers

a. Patrick Boyer, Duncan Williams
b. Robert Phillips, Samco
c. Russel Robnison, Bank of Oklahoma
d. Luigi Mancini, Multi-Bank Securities
e. Gilbert Ramon, Hilltop Securities

Dealers a-d communications as and pricing are handled by Anne Jenkins, AJ Capital.

Financial Institutions

Texas Gulf Bank, N.A. (Primary Depository)

U.S. Bank, N.A.

Investment Pools

TexPool
Texas Class

EXHIBIT D

Certification by Broker/Dealers and Financial Institutions

(date)

City of Freeport, Texas
Attn: Finance
200 W. 2nd Street
Freeport, TX 77541

Dear Ms. Russell*:*

This certification is executed on behalf of the City of Freeport, Texas (the Investor) and ______________________________ (the Business Organization), pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code, (the Act) in connection with investment transactions conducted between the Investor and Business Organization.

The undersigned Registered Principal of the Business Organization hereby certifies on behalf of the Business Organization that:

1. The undersigned is a Registered Principal of the Business Organization offering to enter an investment transaction with the Investor (Note: as such terms are used in the Public Funds Investment Act, chapter 2256, Texas Local Government Code) and;

2. The Registered Principal of the Business Organization has received and reviewed the Investment Policy furnished by the Investor and;

3. The Registered Principal of the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the Investor that are not authorized by the Investor's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the investor's entire portfolio or requires and interpretation of the subjective investment standards.

Registered Principal	**Broker Assigned to the Account**
Signed By: ____________________	____________________
Printed Name: ____________________	____________________
Title: ____________________	____________________
Date: ____________________	____________________

EXHIBIT E

Investment Strategy

The City of Freeport's investment portfolio will be designed and managed to ensure that it will meet all the requirements established by the City's investment policy and the Public Funds Investment Act. The overall investment strategy outlined in the investment policy has been further refined in this investment strategy statement by the following fund types.

Operating Funds:

Operating Funds generally have greater cash flow needs than other funds types. The operating fund portfolio may consist of any approved investment type with the understanding that the financial requirements of the operating funds will dictate the maturity dates of the investment. At utmost importance is the preservation and safety of the investment principal.

Additionally each investment will be viewed for its liquidity and marketability of the investment if the need arises to liquidate the investment before maturity. The final determining factors for the investment strategy will be the diversification of the investment portfolio and the yield of the investment.

To achieve short-term needs of one (1) to one hundred and eighty (180) days, funds will be invested in approved investment pools. For longer-term needs of six (6) months to five (5) years, funds will be invested in approved investments with objectives prioritized as follows:

1) understanding the suitability of the investment to the financial requirements of the City of Freeport;

2) preservation and safety of principal;

3) liquidity;

4) marketability of the investment if the need arises to liquidate the investment before maturity;

5) diversification of the investment portfolio; and

6) yield.

Debt Service Funds:

The debt service requirements are semi-annual, thus allowing the investment strategy to mirror debt obligation payment dates. The strategy for debt service funds allows greater flexibility since the actual requirements are known into the future. Investments will still meet the adopted policies; however, planning maturity dates to match debt requirement dates will be the primary objective.

The investment instruments will be primarily in approved investment types with maturities at six or twelve months established to match debt requirement dates. Shorter-term investment may be used to meet these objectives and longer-term investments may be used when fund balance reserves exceed one year's debt service requirements.

To achieve this strategy the following objectives are prioritized to evaluate investment opportunities:

1) understanding the suitability of the investment to the financial requirements of the City Freeport;

2) preservation and safety of principal;

3) yield;

4) marketability of the investment if the need arises to liquidate the investment before maturity;

5) diversification of the investment portfolio; and

6) liquidity.

Capital Improvement Funds:

Bond proceeds can be invested over the life of the project; however, the exact disbursement of the funds is not always known. The investment objective of the capital improvement funds is to schedule maturities to maximize investment earnings while preserving principle. The key to an effective strategy is to be aware of the project needs and match maturities to the period funds are needed.

The investment objective for capital projects funds is still to match investment maturities with funding needs. As short-term needs are recognized investment maturities will be moved into approved investment pools to meet financial requirements. Longer-term needs will be invested with the following objectives as prioritized for capital improvement funds:

1) understanding the suitability of the investment to the financial requirements of the City of Freeport;

2) preservation and safety of principal;

3) diversification of the investment portfolio;

4) yield;

5) liquidity; and

6) marketability of the investment if the need arises to liquidate the investment before maturity.

Reserve Funds:

Certain reserve funds have been established as required by bond covenants. The investment objective is to invest reserve funds to the extent that maturities are established to the limit of the investment policy or to the end of the bond requirements whichever is shorter.

The overall investment strategy for reserve funds will not rely on investment pools; however, the use of pools is not prohibited. Longer-term investment objectives are prioritized as follows:

1) understanding the suitability of the investment to the financial requirements of the City of Freeport;

2) diversification of the investment portfolio;

3) preservation and safety of principal;

4) yield;

5) liquidity; and

6) marketability of the investment if the need arises to liquidate the investment before maturity.

THE CITY OF FREEPORT
1201 North Ave. H • Freeport, TX 77541 979.233.3526 • Fax 979.233.8867

City Council Agenda Item #4.

Title: Consider and approve proposals for employee medical insurance, dental insurance, Life and AD&D insurance, long term disability insurance, and HRA, HSA, FSA, and COBRA administration.

Date: July 15, 2024

From: Cathy Ezell, Finance Director

Staff Recommendation: Staff recommends acceptance of the proposal from Blue Cross/Blue Shield for medical, dental, life and AD&D, and long-term disability insurance and proposal for administration of the HRA, HSA, FSA, and COBRA from Optum Financial

Item Summary: The City issued a Request for Proposal (RFP) for Medical Insurance to compare other alternatives vs. Cigna. We received the renewal from Cigna and proposals from Blue Cross/Blue Shield, and United HealthCare.

Each of the vendors requires demographic information and paid claims (de-identified) to underwrite the coverage. Vendors were asked to quote similar plan designs, with Open Access networks, and less restrictive Pharmacy Plan Formularies. Network provider disruption was also evaluated.

The proposal from United HealthCare was not competitive, but Blue Cross was competitive with Cigna, especially if Blue Cross also provides dental, life and long-term disability coverages.

Cigna's final renewal was a 4.68% increase on medical and a 5% increase on dental. Blue Cross/Blue Shield proposed a 3.55% decrease on medical, a 4% increase on dental, a 24% decrease on Life/AD&D and an 11% decrease on long-term disability. The current Life/AD&D and long-term disability carrier, One America, proposed a 0% change.

Optum Financial is the current HSA administrator, and since Blue Cross does not offer HRA administration, Optum will also administer HRA, FSA and COBRA.

The Plan Design will change slightly, with lower out-of-pocket maximums for most employees, and an 80/20 percentage after deductible vs. 70/30 percentage after deductible. Employees will see no material changes to the networks vs. what they have today. Moreover, the City will continue to promote to our employees the need to focus on and promote the Preventative Benefits of the plans to get ahead of future risks which may adversely impact claim experience.

Background Information: The City has gone out for bids for medical insurance coverage the past four years. The City does have some ongoing large claims for the past year, which drives up 40% of costs typically. This year the City was expecting the cost of medical insurance to increase. However, the City received a bid from Blue Cross that would have resulted in no increase to premiums. HUB international was able to negotiate with Blue Cross to obtain a slight decrease in premiums for the 2024-2025 plan year.

Special Considerations: The City is doing everything it can to mitigate the increased costs of health insurance claims, including bringing forth plan alternatives and coverage changes, and the focus on Wellness and Prevention which will positively impact our risk.

Financial Impact: There is no significant financial impact to the Fiscal Year 2024-2025 budget.

Board or 3rd Party Recommendation: All proposals were reviewed and compared in detail by our benefits' administration team at HUB International, along with Finance Director, Cathy Ezell, City Manager Lance Petty, and Human Resources Director, Donna Fisher.

Supporting Documentation:
1. City of Freeport RFP Summary

HUB

Risk & Insurance | Employee Benefits | Retirement & Private Wealth

City of Freeport Medical, Dental, Life AD&D, and Long Term Disability RFP Summary

Julian Fontana – Senior Account Executive

Mike Weaver – Senior Account Manager

Alexander Hentze – Marketing Specialist

July 3, 2024

Agenda

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2 | Medical, and Dental RFP Summary

3 | Life AD&D, Voluntary Life AD&D, and Long Term Disability Summary

4 | Combined Financial Results

5 | Recommendations

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Overview & RFP Response Listing

Overview

This presentation summarizes the results of an RFP conducted by the City of Freeport with HUB International to assess vendors to administer the following employee benefits effective October 1, 2024

- Medical
- Dental
- Basic Life AD&D and Voluntary Life AD&D
- Long Term Disability

The RFP was conducted with the following objectives in mind:

- Aligns with the City of Freeport’s objectives and is supported by management and Council;
- Demonstrated superior member service and claims processing;
- Ability to proactively meet the City of Freeport’s service needs;
- Willingness, experience and capability to effectively administer the programs;
- Support during the implementation process;

RFP Response Listing

Carrier	Medical	Dental	Life	Disability	No Response
Aetna					X
Ameritas					X
BCBS	X	X	X	X	
Cigna	X	X			
Delta Dental					X
Guardian					X
Hartford					X
MetLife		X	X	X	
Mutual of Omaha		X	X	X	
New York Life			X	X	
Ochs			X	X	
One America			X	X	
Principal					X
Renaissance		X	X	X	
Standard			X	X	
Sunlife					X
Symetra					X
TXHBP					X
UHC	X	X	X		
Unum					X
Voya					X

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Medical and Dental RFP Summary

Medical Plan Proposals – Current / Closest Matching

MEDICAL BENEFITS	CIGNA	CIGNA	CIGNA	BCBSTX	BCBSTX	BCBSTX
	Current/Renewal	Current/Renewal	Current/Renewal	MTBCP005H	MTBCB019	MTBCP006
NETWORK	Open Access Plus	Open Access Plus	Open Access Plus	Blue Choice	Blue Choice	Blue Choice
Plan Type	HSA HDHP	HRA Base PPO	HRA Buy-Up PPO	HSA HDHP	HRA Base PPO	HRA Buy-Up PPO
Deductible (Indiv / Family)						
In-Network	$3,500 / $7,000	$2,000 / $4,000	$500 / $1,000	$3,500 / $7,000	$2,000 / $6,000	$500 / $1,500
Non-Network	$6,500 / $13,000	$6,700 / $13,400	$5,000 / $10,000	$7,000 / $14,000	$4,000 / $12,000	$1,000 /$3,000
Out Of Pocket Max (Indiv / Family)						
In-Network	$7,000 / $14,000	$7,000 / $14,000	$5,000 / $10,000	$5,000 / $10,000	$5,000 / $14,700	$3,000 / $9,000
Non-Network	$28,000 / $56,000	$39,200 / $78,400	$28,000 / $56,000	Unlimited	Unlimited	Unlimited
Coinsurance						
In-Network	30%	30%	30%	**20%**	**20%**	**20%**
Non-Network	50%	50%	50%	40%	40%	40%
Telemedicine	30% after deductible	$25 copay	$25 copay	$48 w/ MDLive	$0 w/ MDLive	$0 w/ MDLive
Physician Office Visit						
In-Network	30% after deductible	$25 copay	$25 copay	20% after deductible	$30	$30
Non-Network	50% after deductible	50% after deductible	50% after deductible	40% after deductible	40% after deductible	40% after deductible
Specialist Office Visit						
In-Network	30% after deductible	$50 copay	$50 copay	20% after deductible	$60	$60
Non-Network	50% after deductible	50% after deductible	50% after deductible	40% after deductible	40% after deductible	40% after deductible
Preventive Care						
In-Network	100%	100%	100%	No Charge	No Charge	No Charge
Non-Network	50% after deductible	50% after deductible	50% after deductible	40% after deductible	40% after deductible	40% after deductible
Urgent Care						
In-Network	30% after deductible	30% after deductible	30% after deductible	20% after deductible	$75	$75
Non-Network	50% after deductible	50% after deductible	50% after deductible	40% after deductible	40% after deductible	40% after deductible
Emergency Room						
In-Network	30% after deductible	30% after deductible	30% after deductible	20% after deductible	$500 Copay + 20%	$500 Copay + 20%
Non-Network	30% after deductible	30% after deductible	30% after deductible	20% after deductible	$500 Copay + 20%	$500 Copay + 20%
Diagnostic Lab & X-Ray						
In-Network	30% after deductible	30% after deductible	30% after deductible	20% after deductible	Incl. in OV Copay	Incl. in OV Copay
Non-Network	50% after deductible	50% after deductible	50% after deductible	40% after deductible	40% after deductible	40% after deductible
In-Patient Hospital						
In-Network	30% after deductible	30% after deductible	30% after deductible	20% after deductible	20% after deductible	20% after deductible
Non-Network	50% after deductible	50% after deductible	50% after deductible	40% after deductible	40% after deductible	40% after deductible
Out-Patient						
In-Network	30% after deductible	30% after deductible	30% after deductible	20% after deductible	20% after deductible	20% after deductible
Non-Network	50% after deductible	50% after deductible	50% after deductible	40% after deductible	40% after deductible	40% after deductible
Prescriptions						
Preferred Generic - Retail	30% after CYD	$10 copay	$10 copay	20% after deductible	$0/$10 or $10/$20	$0/$10 or $10/$20
Preferred Brand - Retail	30% after CYD	$40 copay	$40 copay	20% after deductible	$50/$70	$50/$70
Non-Preferred Brand - Retail	30% after CYD	$65 copay	$65 copay	20% after deductible	$100/$120	$100/$120
Preferred Specialty Drugs	30% after CYD	same as above	same as above	20% after deductible	$150	$150

Medical Plan Proposal – BCBS Alternate Plan

MEDICAL BENEFITS	BCBSTX MTBCP005H	BCBSTX MTBCB019	BCBSTX MTBCP011
NETWORK	Blue Choice	Blue Choice	Blue Choice
Plan Type	HSA HDHP	HRA Base PPO	HRA Buy-Up PPO
Deductible (Indiv / Family)			
In-Network	$3,500 / $7,000	$2,000 / $6,000	$1,000 / $3,000
Non-Network	$7,000 / $14,000	$4,000 / $12,000	$2,000 /$6,000
Out Of Pocket Max (Indiv / Family)			
In-Network	$5,000 / $10,000	$5,000 / $14,700	$4,000 / $12,000
Non-Network	Unlimited	Unlimited	Unlimited
Coinsurance			
In-Network	**20%**	**20%**	**20%**
Non-Network	40%	40%	40%
Telemedicine	$48 w/ MDLive	$0 w/ MDLive	$0 w/ MDLive
Physician Office Visit			
In-Network	20% after deductible	$30	$30
Non-Network	40% after deductible	40% after deductible	40% after deductible
Specialist Office Visit			
In-Network	20% after deductible	$60	$60
Non-Network	40% after deductible	40% after deductible	40% after deductible
Preventive Care			
In-Network	No Charge	No Charge	No Charge
Non-Network	40% after deductible	40% after deductible	40% after deductible
Urgent Care			
In-Network	20% after deductible	$75	$75
Non-Network	40% after deductible	40% after deductible	40% after deductible
Emergency Room			
In-Network	20% after deductible	$500 Copay + 20%	$500 Copay + 20%
Non-Network	20% after deductible	$500 Copay + 20%	$500 Copay + 20%
Diagnostic Lab & X-Ray			
In-Network	20% after deductible	Incl. in OV Copay	Incl. in OV Copay
Non-Network	40% after deductible	40% after deductible	40% after deductible
In-Patient Hospital			
In-Network	20% after deductible	20% after deductible	20% after deductible
Non-Network	40% after deductible	40% after deductible	40% after deductible
Out-Patient			
In-Network	20% after deductible	20% after deductible	20% after deductible
Non-Network	40% after deductible	40% after deductible	40% after deductible
Prescriptions			
Preferred Generic - Retail	20% after deductible	$0/$10 or $10/$20	$0/$10 or $10/$20
Preferred Brand - Retail	20% after deductible	$50/$70	$50/$70
Non-Preferred Brand - Retail	20% after deductible	$100/$120	$100/$120
Preferred Specialty Drugs	20% after deductible	$150	$150

Medical Premiums – Current / Closest Matching

FINANCIALS	EE's			CIGNA	CIGNA	CIGNA	CIGNA	CIGNA	CIGNA	BCBSTX	BCBSTX	BCBSTX
	HD	B	BU	HSA HDHP	HRA Base PPO	HRA Buy-Up PPO	HSA HDHP	HRA Base PPO	HRA Buy-Up PPO	HSA HDHP	HRA Base PPO	HRA Buy-Up PPO
Employee Only	39	30	33	$626.36	$774.90	$838.12	$658.35	$814.03	$869.24	$571.48	$700.74	$836.83
Employee & Spouse	3	1	1	$1,457.42	$1,785.68	$1,931.83	$1,531.85	$1,882.06	$2,009.68	$1,392.52	$1,707.49	$2,039.09
Employee & Child(ren)	5	3	2	$1,180.61	$1,449.00	$1,567.59	$1,240.91	$1,526.31	$1,629.81	$1,180.99	$1,448.13	$1,729.35
Employee & Family	3	1	1	$1,694.98	$2,074.56	$2,244.46	$1,781.54	$2,187.30	$2,335.66	$2,002.03	$2,454.87	$2,931.62
	50	35	37									
Monthly Premium				$39,788	$31,454	$34,969	$41,820	$33,069	$36,290	$38,376	$29,529	$36,045
Combined Monthly					**$106,212**			**$111,179**			**$103,950**	
Annual Premium					**$1,274,544**			**$1,334,153**			**$1,247,401**	
$ Change from Current								**$59,610**			**-$27,143**	
% Change from Current								**4.68%**			**-2.13%**	
OTHER INFO												
Participation Requirements							50%	50%	50%	75%	75%	75%
Employer Contribution Requirements							50%	50%	50%	50%	50%	50%
Rate Guarantee							12 months	12 months	12 months	12 months	12 months	12 months
Effective Date							10/1/2024	10/1/2024	10/1/2024	10/1/2024	10/1/2024	10/1/2024
AM Best Rating							A	A	A	A+	A+	A+

BCBS Rates include 1.75% premium tax (to be removed) and will reduce medical premiums -5.75% with bundle of Dental/Life/LTD

Medical Premiums – Current / BCBS Alternate Plan

FINANCIALS	EE's			CIGNA	CIGNA	CIGNA	BCBSTX	BCBSTX	BCBSTX
	HD	B	BU	HSA HDHP	HRA Base PPO	HRA Buy-Up PPO	HSA HDHP	HRA Base PPO	HRA Buy-Up PPO
Employee Only	39	30	33	$626.36	$774.90	$838.12	$571.48	$700.74	$801.78
Employee & Spouse	3	1	1	$1,457.42	$1,785.68	$1,931.83	$1,392.52	$1,707.49	$1,953.70
Employee & Child(ren)	5	3	2	$1,180.61	$1,449.00	$1,567.59	$1,180.99	$1,448.13	$1,656.94
Employee & Family	3	1	1	$1,694.98	$2,074.56	$2,244.46	$2,002.03	$2,454.87	$2,808.86
	50	35	37						
Monthly Premium				$39,788	$31,454	$34,969	$38,376	$29,529	$34,535
Combined Monthly					**$106,212**			**$102,440**	
Annual Premium					**$1,274,544**			**$1,229,285**	
$ Change from Current								**-$45,258**	
% Change from Current								**-3.55%**	
OTHER INFO									
Participation Requirements							75%	75%	75%
Employer Contribution Requirements							50%	50%	50%
Rate Guarantee							12 months	12 months	12 months
Effective Date							10/1/2024	10/1/2024	10/1/2024
AM Best Rating							A+	A+	A+

BCBS Rates include 1.75% premium tax (to be removed) and will reduce medical premiums -5.75% with bundle of Dental/Life/LTD

Dental Plan Proposals – Current Benefits

DENTAL BENEFITS	CIGNA	BCBS
	Current/Renewal	Proposed
Type I – Preventive Services		
Deductible	100%	100%
Oral Exams -	2 Per Calendar Year	2 Per Calendar Year
Fluoride treatments-children under ___ limit ____ per calendar year	Under 19 Limit 1	Under 16 Limit 2
(2) Cleanings per calendar year	Yes	Yes
Sealants for children under ___ not to exceed $___ per calendar year	Under 14; 1 every 3 years	Under 14; 1 per lifetime
Full mouth X-ray 1 series in a ___ consecutive month period	36 Months	60 Months
Bitewings X-rays once per calendar year	2 per calendar year	Type I
Type II – Basic Services		
Coinsurance	80%	80%
Amalgam and resin-based composite fillings	80%	80%
Stainless Steel Crowns	80%	80%
Extractions	80%	80%
Anesthesia	80%	80%
Periodontics	80%	80%
Oral Surgery	80%	80%
Type III – Major Services		
Coinsurance	50%	50%
Replacement of Crowns	50%	50%
Dental Implants	50%	50%
Removable / fixed bridge-work	50%	50%
Partial or complete dentures	50%	50%
Type IV – Orthodontia		
Coinsurance	NA	NA
Orthodontia Eligibility	NA	NA
Orthodontia Lifetime Maximum	NA	NA
Calendar Year Deductible		
Individual	$50	$50
Family	$150	$150
Maximums and UCR Info		
Dental Annual Maximum	$1,500	$1,500
UCR Out of Network Percentile	90th	90th

Dental Plan Premiums Current Benefits

DENTAL BENEFITS		CIGNA	BCBS
FINANCIALS			
Employee Only	83	$26.59	$26.32
Employee & Spouse	17	$52.35	$52.65
Employee & Child(ren)	9	$72.29	$70.57
Employee & Family	11	$107.64	$106.82
Monthly Premium		$4,932	$4,890
Annual Premium		$59,179	$58,677
$ Change from Current		**$2,822**	**$2,320**
% Change from Current		**5%**	**4%**
OTHER			
Participation Requirements		25%	25%
Employer Contribution Requirements		100%	100%
Rate Guarantee		2 years	1 year
Effective Date		10/1/2024	10/1/2024
AM Best Rating		A	A+

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Life AD&D & Long Term Disability

RFP Summary

Basic Life AD&D

BASIC LIFE BENEFITS	One America	BCBS
	Current/Renewal	Proposed
Class Description	All Eligible Full-Time Employees	All Active Full Time Employees
Definition of Earnings	Basic Annual Earnings	Basic Annual Earnings
Basic Life Schedule - Employee	2x to $200,000	2x to $200,000
Maximum Benefit	$200,000	$200,000
Guarantee Issue Amount	$200,000	$200,000
Age Reduction Schedule	40% at age 70 60% at age 75 70% at age 80	40% at age 70 60% at age 75 70% at age 80
Terminates at Retirement	Yes	Yes
Waiver of Premium	Included	Included
Accelerated Death Benefit	75%	75%
Conversion	Included	Included
Portability	Not Included	Not Included
BASIC AD&D BENEFITS		
Class Description	All Eligible Full-Time Employees	All Active Full Time Employees
Definition of Earnings	Basic Annual Earnings	Basic Annual Earnings
Basic AD&D Schedule	2x to $200,000	2x to $200,000
Maximum Benefit	$200,000	$200,000
Age Reduction Schedule	$200,000	$200,000
Education	10% to $20,000	3% to $3,000
Seatbelt	10% to $25,000	10% to $25,000
Air Bag	10% to $5,000	5% to $5,000
Common Carrier Benefit	Not Included	Not included
Bereavement Counseling	Not Included	Beneficiary Resource Services

BASIC LIFE BENEFITS	One America	BCBS
FINANCIALS		
Volume	$12,795,000	$12,795,000
EE Rate (per $1,000) - Life	$0.15	$0.110
EE Rate (per $1,000) - AD&D	$0.020	$0.020
Monthly Premium	$2,175	$1,663
Annual Premium	$26,102	$19,960
$ Change from Current	**$0**	**-$6,142**
% Change from Current	**0%**	**-24%**
OTHER INFO		
Participation Requirement	100%	100%
Actively at Work	N/A	Applies
Actively at Work Takeover Provision	N/A	Included
Rate Guarantee	2 years	3 years
Effective Date	10/1/2024	10/1/2024
AM Best Rating	A+	A+

Voluntary Life AD&D

BCBS matched the current One America Voluntary Life AD&D Rates and benefits.

Long Term Disability

LTD BENEFITS	One America	BCBS
	Current/Renewal	**Proposed**
Class Description	All active full-time employees	All active full-time employees
Definition of Earnings	Basic Annual Earnings	Basic Annual Earnings
Monthly Percentage	60%	60%
Monthly Maximum	$5,000	$5,000
Guarantee Issue	$5,000	$5,000
Minimum Benefit	$100	$100
Elimination Period	90 days	90 Days
Maximum Benefit Duration	SSNRA (Normal Retirement Age)	SSNRA (Normal Retirement Age)
Definition of Own Occ/Any Occ	2 Year Own Occ / Any Occ thereafter	2 Year Own Occ / Any Occ thereafter
Earnings Test	80%/60%	80%/60%
Survivor Benefit	3 Months	3 Months
Pre-existing Limitations	3/12	3/12
Mental/Nervous Limits	24 Months	24 Months
Drug & Alcohol Limits	24 Months	24 Months
Taxable Benefit	Yes	Post-tax
FICA Match	Included	Included
W-2 Preparation	Included	Included
	One America	**BCBS**
FINANCIALS		
Covered Payroll	$531,005	$531,005
Rate per $100	$0.290	$0.258
Monthly Total	$1,540	$1,370
Annual Total	$18,479	$16,440
$ Change from Current	$0	**-$2,039**
% Change from Current	0%	**-11%**
OTHER		
Number of Employees	122	122
Employer Contribution	100	100%
Actively at Work	Not required as coverage is inforce	122
Effective Date	10/1/2024	10/1/2024
Rate Guarantee	2 years	**3 Years**
AM Best Rating	A+	A+

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Combined Financial Results

Combined Financial Results

	Cigna Current	Cigna Renewal	BCBS Proposed	One America Curr/Renew
Medical	$1,274,544	$1,334,153	$1,247,401	
(Implementation Credit - Medical)			-$20,000	
Dental	$56,357	$59,179	$58,677	
Life ADD			$19,960	$26,102
LTD			$16,440	$18,479
(One America Life/LTD)	$44,581	$44,581		$44,581
Total	$1,375,482	$1,437,913	$1,322,478	
$ change		$62,431	-$53,003	
% change		4.54%	-3.85%	

BCBS Rates include 1.75% premium tax (to be removed) and will reduce medical premiums -5.75% with bundle of Dental/Life/LTD

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RFP Recommendations

RFP Recommendations

The results of the RFP provided competitive options for the City's benefits for the 2024-2025 plan year and the future including multi-year rate guarantees Life and Disability.

BCBS submitted the most competitive proposal with a decrease in cost estimated at -$53,003 below the current annual premiums. This amount does not reflect premium taxes of 1.75 percent to be removed upon award and additional bundling discounts offered for the sale of Dental, Life and Disability. Cigna's propose offer was an increase of $62,431 over current.

It is recommended to move the Medical, Dental, Life and Disability coverages to BCBS and implement the alternate BCBS PPO buy-up plan to more closely align with public sector benchmark and afford the most favorable medical plan renewal increases going forward. Premiums savings can be used to fund additional amounts to the HRA and HSA accounts for employees.

Medical Benchmarking Benefits

	*Public Sector Traditional (PPO / EPO)	Public Sector HDHP (HSA or HRA)	City of Freeport		
Carrier			Cigna		
Average Plans Offered #	2.4		3		
Plan Type	**PPO**	**HDHP**	**HRA Base PPO**	**HRA Buy-Up PPO**	**HDHP**
Subscriber Enrollment	17,514	6,687	33	36	50
% of Total Enrollment	72%	28%	28%	30%	42%
HSA or HRA Contribution		$941 EE	$1,200 EE	$1,200 EE	$2,982 EE
		$1,409 Fam	$1,200 Fam	$1,200 Fam	$2,982 Fam
Individual Deductible	$1,700	$3,300	$2,000	$500	$3,500
Family Deductible	$3,900	$6,500	$4,000	$1,000	$7,000
Individual Out of Pocket	$4,400	$5,200	$7,000	$5,000	$7,000
Family Out of Pocket	$9,400	$9,800	$14,000	$10,000	$14,000
Coinsurance	20%	20%	30%	30%	30%
Office Visits/Dr. Services	$25 copay	20% after deductible	$25 copay	$25 copay	30% after deductible
Specialist Visits/Dr. Services	$50 copay	20% after deductible	$50 copay	$50 copay	$50 copay
Urgent Care	$65 Copay	20% after deductible	30% after deductible	30% after deductible	30% after deductible
Emergency Room	$350 Copay	20% after deductible	30% after deductible	30% after deductible	30% after deductible
Inpatient Surgery	20% after deductible	20% after deductible	30% after deductible	30% after deductible	30% after deductible
Outpatient Surgery	20% after deductible	20% after deductible	30% after deductible	30% after deductible	30% after deductible
Advanced Imaging (MRI / CT / CAT)	20% after deductible	20% after deductible	30% after deductible	30% after deductible	30% after deductible
Pharmacy - Retail Only	**PPO**	**HDHP**	**HRA Base PPO**	**HRA Buy-Up PPO**	**HDHP**
Tier 1 - Generic	$10	$10	$10	$10	30% after deductible
Tier 2 - Preferred Brand	$35	$30	$40	$40	30% after deductible
Tier 3 - Non Preferred Brand	$75	$80	$65	$65	30% after deductible
Specialty Medication	$150	$150	N/A	N/A	30% after deductible

Thank you.