

## MEMORANDUM

**DATE:** January 17, 2019

**TO:** Mayor White & City Council

**VIA:** Mercy Rushing, City Administrator

**FROM:** Cindy Karch, City Secretary

**SUBJECT:** Broker Services for Health Care Benefits.

**Council Workshop Agenda Item for 1/24/2019**

### **Background Information:**

The City of Mineola bid out Health Care services for the first time in 20+ years in June of 2017. At that time we switched health insurance providers and have now started our second year of coverage with the new vendor. The staff would like to recommend looking at health insurance options for the fiscal year 2019-2020 to see what sort of savings are available.

We were approached by a consulting firm called Brinson Benefits back in 2017. They provide a service to local governments where they do the competitive bidding for health benefits each year for the city. They also help administer the plan and take on the “heavy lifting” in regards to health care, saving staff hours.

I spoke with the cities of Winnsboro and Lindale and with ETCOG who all contract with Brinson. They all highly recommended Brinson and said that although they were leery about paying a “middle man” to handle health benefits, the benefit of having them far outweighs the fees they pay. Brinson is able to negotiate lower rates for health coverage and have saved these entities and employees money on health coverage. They’ve all been able to stay with TML but at a lower rate!

When I spoke to Brandy Brannon at ETCOG, she informed me that when they went for bid for consultant services, they put language in their RFQ to include member cities and counties. The city of Mineola can piggy-back off of their RFQ and hire the company they went with at a 10% discounted rate. She is providing copies of the RFQ and their attorney’s comments on the legality of this language.

Sherry has announced her plans to retire from the city sometime in 2019. With her goes many years of valuable knowledge in Human Resources and health care coverage for employees. Hiring a consulting firm at the right price would eliminate the need to hire a new HR director and allow me to take on the duties of payroll and HR with a team of experts in my corner.