

**APPROVED MINUTES  
BOARD OF TRUSTEES FOR THE CITY OF GALVESTON  
EMPLOYEE HEALTH BENEFITS PLAN  
REGULAR MEETING  
March 11, 2021**

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**1. Declaration of a Quorum, Call Meeting to Order, and Roll Call.**

*With a quorum present, the March 2021 Meeting was called to order at 9:01 a.m. by Chairman Mark Murchison. The following Trustees and persons were in attendance:*

Mark Murchison (Chair) – Trustee	Ashely Broadus – HUB International
Xavier Hancock (Vice-Chair) – Trustee	Bryson Frazier – Park Board
Michael Loftin – Trustee	Susan Keeble – Park Board
Kent Etienne – Trustee	Tammy Jacobs – City Staff
Andrew Jefferies – Trustee	Donna Fairweather – City Staff
Mike Weaver – HUB International	Christy Shinn – City Staff
Julian Fontana – HUB International	Daniel Buckley – City Staff
Brent Weegar – HUB International	

**2. Conflicts of Interest.**

*None.*

**3. Public Comment on Agenda Items and Non-Agenda Items.**

*The City Council adopted a policy requiring that agendas for all City board, commission, and committee meetings include a section designated for public comment on both agenda items and non-agenda items. Members of the public may submit a public comment using the web link below. All comments submitted prior to the meeting will be provided to the Board of Trustees.*

<https://forms.galvestontx.gov/Forms/PublicComment>

- A. *Agenda Items*
- B. *Non-Agenda Items*

No Public Comment was received.

**4. Approval of the Minutes for the Regular Board Meeting of January 27, 2021.**

*Motion to Approve the Minutes from the January 27, 2020 Meeting made by Xavier Hancock with a second by Kent Etienne. Unanimously Approved by those Trustees present.*

**5. Receive financial reports as of January 2021 to include large claim cases and plan reimbursements. Discuss financial projections for FY2021.**

Ashley Broadus with HUB International delivered the monthly financial report that covers all groups as a whole and each entity separately. Total medical claims is at close to \$3.2 million through the fiscal year and total net claims are at \$3.7 million. Total costs with administrative costs are \$4.2 million. The plan is at about 125% cost compared to the premium equivalent rate. Aggregate claims for January are around \$910,000. There is currently one large claimant for the year at around \$75,000. Claims costs are increasing. Active employees have incurred \$853,462 for 2021 so far and retirees have incurred \$56,981 so far.

The City is at 119% cost of premium equivalent rate. The large claimant is on the City plan and was a Covid-19 positive. Per employee per month cost is around \$860. The Port is at 161% of cost of premium equivalent. Per employee per month cost is around \$1,188. The Port active members are in line with the entire plan's active members. The retiree costs are higher than others. The Park Board is at 86% cost of premium equivalent. Per employee per month cost is around \$810.

**Brent Weegar:** Each entity can set their own eligibility rules.

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**Donna Fairweather:** I will review the inter-local agreement to see what language was used for eligibility and coverage.

**Mark Murchison:** We have four retirees on the plan and I am not sure how close they are to being Medicare eligible. The claims cost are very high.

**Michael Loftin:** Does the plan require that a retiree use their employer's plan should they obtain other employment?

**Julian Fontana:** Not that we are aware of but there are other cities that do that.

**Mark Murchison:** This could also apply to spouses that have access to another plan.

**Brent Weegar:** That is an option and some cities do that or have a surcharge for coverage for dependents that could obtain other coverage.

Michael Loftin discussed contributions made by each entity to the health plan.

Daniel Buckley informed the board that the vision of the inter-local agreement was to save each entity costs on medical insurance. The plan needs to review coverage and costs to make changes as needed.

**Mark Murchison:** We need to review the plan to see if the Port can continue to be part of the plan in a cost effective way. I believe removing retirees could help with this. The agreement may need to be reviewed and changed.

**Daniel Buckley:** The City cannot continue to absorb costs for other plan participants.

Julian Fontana with HUB international delivered a summary of plan revenues and expenditures. The data goes back to FY 2017 and has a projection for FY 2021. The plan needs a 16% adjustment in costs to keep the same benefit strategy based on current performance. The report shows different pooling options for each entity to provide the plan more funding.

**Michael Loftin:** The pattern over the last few years is that extra contributions that were equal across all entities did not sufficiently cover increased costs. There needs to be something in the agreement to address a situation when an entity has cost increases and the plan needs more funding.

**Mark Murchison:** The annual contribution each entity has made has been recommended by HUB, Gallagher, and the board. If those numbers are bad then there needs to be an adjustment.

**Julian Fontana:** The plan has some things to think about as we wrap up the fiscal year and as we head towards plan renewal. If the 16% is not doable there are some alternatives through plan design.

**6. Discussion of plan benefits and premium structures.**

Julian Fontana delivered plan options for benefit changes and premium structure changes to address the plan's need to properly fund the plan. There is a need to increase funds to the plan. The options included two PPO options with increases to co-pay and deductible and two HDHP plans with an HSA. Options included increased deductible, increased co-pay, and changes to the prescription structure.

**Mark Murchison:** Before we can look at options we need to know the City's limitations on changes for Police and Fire due to collective bargaining.

**Kent Etienne:** The City will review the agreements to see what limitations there are.

**7. Discuss and consider for action the Health Risk Assessment requirement for plan year 2021.**

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**Xavier Hancock:** I do not think there is a reason to modify the requirement at this time. Last year I think it was helpful to change it but I do not see a need right now.

**Andrew Jefferies:** I completed mine with no issue. I could see that some people may be concerned but I think overall it will be ok.

*Motion made to keep the Health Risk Assessment requirement in place for this year without any changes made by Xavier Hancock with a second by Mark Murchison. Unanimously Approved by those Trustees present.*

**8. Receive additional reports and recommendations on plan coverage and free standing emergency rooms.**

Julian Fontana mentioned that the plan language needs to be more specific on what is considered to be emergency care. More information will be coming to provide recommendations on the upcoming plan renewal. Hub is working on communication materials to help educate employees on options they have for urgent care and emergency care. They will continue to monitor the plan and provide updates on usage and expenses.

**9. Discuss tentative date(s) for next Board Meeting.**

*Tentatively agreed upon for Thursday, April 15, 2021 at 9:00 a.m.*

**10. Adjournment.**

*Motion to Adjourn made by Mark Murchison with a second by Andrew Jefferies. Unanimously Approved. The meeting was adjourned at 10:41 a.m.*

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Mark Murchison, Chair  
4/15/2021

Thursday, April 15, 2021  
**Date Approved**