



UNIVERSITY PARK CITY COUNCIL AGENDA MEMO

Meeting Date:
8/4/2026

Item Type:
Consent Agenda

Subject: Authorizing the City Manager to enter into contracts for Employee Benefits effective January 1, 2027

Prepared By: Talia Gregory, Director of Human Resources

Background:

The City partners with Holmes Murphy, insurance consultant, to develop fiscally responsible strategies for offering competitive employee benefits. The City announced a Request for Proposals (“RFP”) for Employee Benefits for all health insurance coverages on Monday, March 23, 2026 with responses due Friday, April 24, 2026.

The RFP focused on five targeted objectives:

1. **Administrative efficiency:** Simplify the City’s benefits program by reducing administrative complexity, consolidating with fewer vendors to improve accountability, reduce duplication, improving coordination among benefit offerings, and creating a more streamlined experience for employees and staff.
2. **Cost:** Proposals were evaluated for their ability to provide competitive and sustainable pricing while maintaining high-quality coverage and protecting the long-term financial interests of the City and its employees.
3. **Employee Access:** Find solutions that provide employees and their families with convenient access to providers, services, information, and benefits support.
4. **Service:** Vendors were assessed on their demonstrated ability to deliver responsive customer service, effective implementation, timely issue resolution, accurate administration, and ongoing support for both employees and City staff.
5. **Plan Design:** Identify options that meet the diverse needs of the City’s workforce, support employee well-being, remain competitive in the labor market, and provide appropriate flexibility and value.

The City received proposals from fifteen (15) firms. Proposals were reviewed by a rating committee consisting of the Director of Human Resources, Sr. HR Business Partners, Purchasing Manager, and Holmes Murphy, insurance consultants. The evaluation included an in-depth analysis of the vendors’ proposals and recommendations. Based on these results, the committee selected finalists and requested best and final offers. The committee also scheduled interviews for specific lines of coverage. On May 14th, the Employee Benefits Advisory Committee met to review the proposal summaries and staff recommendations. The committee voted to recommend approval of the employee benefits plan as recommended by staff. The following is an outline of the recommended vendors for each line of coverage.

Medical #2026-03A

The City has a self-insured medical plan for employees and their dependents and currently contracts with Blue Cross Blue Shield to administer the plan, process claims, and provide access to the provider's physician and facility network. The City offers the option of either a EPO (Exclusive Provider Organization) or a HDHP (High Deductible Health Plan). The cost of the plan is shared between employees and the City. Under a self-insured program, stop loss coverage is provided to minimize the City's exposure to large insurance claims. Currently the City's individual stop loss coverage is \$115,000 per claimant. This means that once an individual claimant exceeds \$115,000 in claims for the year, all future expenses are reimbursed by the City's stop loss provider. The City also has an aggregate stop loss at 125% of expected claims. Each year, the stop loss carrier projects the expected claims for the City. If all of the claims for the year exceed the claims projection by 25%, all future claims over that amount will be reimbursed by the stop loss carrier up to \$1,000,000.

Based on the proposal summaries, **staff is recommending that the City contract with Blue Cross, Blue Shield (BCBS) to continue to provide the City's medical, pharmacy and stop loss coverage beginning 1/1/2027.**

Dental #2026-03B

The City currently offers two fully-insured dental options which include a PPO or HMO plan through United Healthcare. Based on the proposal summaries, **staff is recommending that the City contract with Blue Cross, Blue Shield (BCBS) to provide the City's dental coverage beginning 1/1/2027.**

Vision #2026-03C

The City currently offers vision coverage through Superior Vision. Based on the proposal summaries **staff is recommending that the City continue the partnership with Superior Vision.**

Flexible Spending, Health Savings Accounts and COBRA Administration #2026-03D

The City currently contracts with HSA Bank for administration of Flexible Spending Accounts (FSA), Health Saving Accounts (HSA) and Consolidated Omnibus Budget Reconciliation Act (COBRA) administration. Administrative fees for these services are paid by the City and the City provides partial funding to the HSA. Based on the proposal summaries, **staff is recommending that the City continue the partnership with HSA Bank to administer all three programs beginning 1/1/2027.**

Employee Assistance Program (EAP) #2026-03H

The City provides an Employee Assistance Program at no cost to employees which provides proactive mental health resources, confidential counseling and training on a variety of topics. Based on proposal summaries, **staff is recommending the City contract with The Hartford beginning 1/1/2027.**

Disability LTD/STD #2026-03F

The City provides Long-Term Disability and Short-Term Disability insurance at no cost to employees. These coverages are currently provided by Madison National Life Insurance and The Hartford. **Staff is recommending the City contract with The Hartford for both lines of coverage beginning 1/1/2027.**

Accident and Critical Illness #2026-03G

The City provides Accidental Death & Dismemberment, and Critical Illness insurance currently provided by Minnesota Life Insurance Company. Based on proposal summaries, **staff is recommending the City contract with The Hartford** beginning 1/1/2027.

Basic and Voluntary Life #2026-03E

The City currently contracts with Ochs (Securian), Minnesota Life Insurance Company for Basic and Voluntary life coverage. Based on proposal summaries, **staff is recommending the City contract with The Hartford** beginning 1/1/2027.

ACA REPORTING #2026-03I

Staff received two (2) good proposals, but ultimately determined that this work can be done in-house. **Staff recommends that Council reject all proposals for this sub-project.**

If council votes to approve these contracts tonight, staff will finalize the paperwork and the new benefits will go into effect on January 1, 2027.

Fiscal Impact:

- ☐ Not Applicable
- ☐ Budget Amendment Required
- ☐ Proposed Revenue
- ☐ Proposed Expenditure

Funding Source:

Master Plan Goal:

Please check the associated Theme and provide the corresponding action item number.



	Theme	Action Item(s)
☐	Affirming Sense of Place	
☐	Assuring Connectivity	
☐	Innovative Governance	
☐	Technological Integration	
☐	Preparing for the Future	
☐	Not Applicable	

Recommendation:

Staff recommends that Council vote to award contracts for projects 2026-03A through 2026-03H as outlined. Staff further recommends that Council reject all offers for project 2026-03I.

Committee Review (optional):

Employee Benefits Advisory Committee May 14, 2026

Attachments:

City of University Park RFP Results and Recommendations
RFP 2026-03 EMPLOYEE BENEFITS – FINAL SCORE CARD