



## Cover Memorandum/Staff Report

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**File #:** 24-1165

**Agenda Date:** 9/16/2024

**Item #:** 7.B.

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**TO:** Mayor and Commissioners  
**FROM:** Duane D'Andrea, Human Resources Director  
**THROUGH:** Terrence R. Moore, ICMA-CM  
**DATE:** September 16, 2024

APPROVE RESOLUTION NO. 190-24 TO ENROLL GROUP DENTAL INSURANCE CONTRACT FROM SOLSTICE BENEFITS, INC. WITH AN ESTIMATED \$93,000 ANNUALLY WITH 3% RATE CAP FOR YEAR THREE (3) AND FOUR (4) APPROX TOTAL \$465,000.00.

**Recommended Action:**

Motion to approve Resolution 190-24 to allow the City to enter and execute a two (2) year agreement with Solstice Benefits, Inc. to provide the City's group dental plan(s) with the option to sign two (2) one (1) year renewals estimated \$93,000 annually with a 3% rate cap for year three (3) and four (4) approx. total \$465,000.00.

**Background:**

The City's current agreement with Solstice for the group dental plan will expire on September 30, 2024. Therefore, the City's consultant, Gehring Group, (Broker) was instructed to issue an RFP for the Dental HMO and PPO plans. As a result of the RFP review, staff recommended to the City Manager to keep its incumbent carrier and execute a new agreement with Solstice effective October 1, 2024, through September 30, 2026.

The current dental plan provider, Solstice, was determined to provide the best benefit to employees with the least provider disruption. Solstice has been the City's dental provider for the previous five (5) year period.

Although they had a 3% rate cap in year 5 of the contract, they did not increase rates. The new two (2) year agreement has a 6% increase in dental premiums with the option to renew in years 3 and 4 with a max rate cap of 3%. As this plan is funded solely through employee contribution, the City will not incur any cost increase with this plan. As noted below, the Insurance Committee recommends we retain incumbent to avoid provider disruption and increased copays on the DHMO plan.

A copy of the consultant evaluation is attached for your reference.

**City Attorney Review:**

City Attorney recommends approval.

**Funding Source/Financial Impact:**

Group Dental: 551-13-041-513.45-43

**Timing of Request:**

The new contracts need to be implemented by October 1, 2024, the beginning of the City's new plan year.