City of Ormond Beach

City Commission Workshop

City Hall Commission Conference Room

22 South Beach St., Ormond Beach FL 32174

August 5, 2025, 5:30 PM

Jason Leslie, Mayor
Lori Tolland, Zone 1
Travis Sargent, Zone 2
Kristin Deaton, Zone 3
Harold Briley, Zone 4

Minutes

1. CALL TO ORDER

Mayor Leslie called the meeting to order at 5:30 p.m.

Present: Mayor Jason Leslie, Commissioners Lori Tolland, Travis Sargent, Kristin Deaton, and Harold Briley, City Manager Joyce Shanahan, City Attorney Randy Hayes, Assistant City Managers Claire Whitley, and Shawn Finley, Human Resource Manager Samantha Potts, Brown & Brown Representative Jessica Scott, and Foundation Risk Partners Representative John Kern.

2. DISCUSSIONS

A. Employee Health Insurance

Ms. Joyce Shanahan, City Manager, explained the workshop was to discuss the employee health insurance benefit broker agreement.

Ms. Claire Whitley, Assistant City Manager, encouraged any questions from the Commissioners to staff and the brokers. She stated there were two qualified submissions from the Request for Proposals (RFP). She clarified the agreement being discussed was for the broker, not the actual insurance coverage, as that would not be renewed until January 2026. She reviewed the benefits offered to employees and explained the employee was the insured, not the city. She noted it was a mandatory subject of bargaining with the three unions. She reviewed the services offered by the broker and health insurance strategies set by prior Commissions. She reviewed the RFPs submitted, Brown & Brown Insurance Services, Inc. (Brown & Brown) and Foundation Risk Partners (FRP), their scores, and noted the main difference was the broker fee.

Commissioner Sargent indicated he would abstain from voting on the item as he worked with FRP. He inquired where the scorecard was for the RFP; whereby, Ms. Whitley stated it was included in the City Commission meeting agenda packet and reviewed the scores for each broker for qualifications, experience, references, and price.

Commissioner Briley inquired about the price differences; whereby, Ms. Whitley stated ten points was given to Brown & Brown Insurance Services, Inc. and five to FRP, as Brown & Brown was about half the price of FRP. He inquired if the services were the

same from each broker; whereby, Ms. Whitley explained the RFP dictated the services.

Commissioner Tolland stated she would abstain from the vote on the item. She inquired what Brown & Brown's fee was in prior years; whereby, Ms. Whitley explained the previous agreement was a commission-based percentage, noting each type of insurance had a different commissioned percentage, noting the health insurance was a three percent commission.

Mayor Leslie clarified the biggest difference in the submitted RFPs was the fee; whereby, Ms. Whitley stated the services stipulated by the RFP were very similar, noting the biggest difference was the fee and staff's perspective as far as administrative and implementing the plan was the relations within Volusia County previously formed by Brown & Brown with providers. He inquired which broker was staff's recommendation; whereby, Ms. Whitley stated Brown & Brown due to the scoring.

Commissioner Tolland stated in the staff report it was mentioned Brown & Brown had more entities within Volusia County and inquired about the importance of that versus entities within the state; whereby, Ms. Whitley stated from a Human Resources (HR) staff perspective administering a plan the local relationships were very important.

Commissioner Deaton requested to hear from the brokers.

Mr. John Kern, FRP, stated the biggest difference was the fee and reviewed all benefits associated with the higher fee. He explained FRP fee included a service that was basically an extension of the HR team, the quarterly review, benefit administration technology solutions, and compliance support.

Ms. Jessica Scott, Brown & Brown, explained their fee included a client team, population health team, and account management, highlighting the local provider relationships. She reviewed the technical software used.

Commissioner Sargent inquired about a resolution provided to him where the city utilized a piggyback contract from the City of Palm Coast; whereby, Ms. Whitley stated it was a purchasing mechanism to help streamline purchases. He stated he understood how FRP lost points for pricing and inquired how they lost points within the other categories; whereby, Ms. Whitley stated the points were scored by three staff members, explaining under qualifications one staff member considered the broker's services and history with public entities and another looked just at the broker's staff experience. He expressed concerns of inconsistencies in scoring with local preferences and outdated insurance certificates being provided in the agenda packet.

Commissioner Tolland discussed the creativity exhibited by Brown & Brown in prior years when the deductible was set to increase over 30 percent to keep costs low. She inquired what FRP would do to mitigate costs in a similar situation; whereby, Mr. Kern explained legislative changes, provided examples of outside-the-box thinking, reviewed the loss ratio, and discussed insurance options such as the city becoming self-insured.

Mayor Leslie inquired while trying to reduce the cost of the premium, would the carrier and providers change; whereby, Mr. Kern discussed competing costs of procedures at local hospitals and noted it was up to the broker to determine what the next move would be for financial discipline. Mayor Leslie inquired if the city had been using the same

provider and if so, for how long; whereby, Ms. Scott stated since she was involved the city was always with Florida Health Care Plans (FHCP) based on the direction of the past Commissions. She indicated self-funded plans were looked at, noting prior Commissions decided against it. She discussed relationships with the local hospitals to help negotiate plans on behalf of the client.

Commissioner Briley inquired if the employees were happy with the current provider; whereby, Ms. Shanahan stated she thought the employees were satisfied with the providers, noting sometimes employees opted to go to providers who were out of network.

Mayor Leslie discussed the importance of not losing the providers already in-network; whereby, Ms. Shanahan noted the possibility of switching providers in the future.

Mr. Kern stated there were many providers leaving the FHCP network and reviewed other concerns.

Commissioner Deaton stated both firms were well qualified, had similar products, and the Commission was looking at the broker fee. She questioned if employees would experience any change if the broker were to switch; whereby, Mr. Kern stated the first year would be a year of observation and to learn about the city, noting it would be FRP's goal for no disruption the first year.

Commissioner Tolland agreed both broker firms would provide a good product, and inquired if either broker worked for performance-based compensation.

Ms. Scott stated Brown & Brown had performance-based contracts.

Commissioner Deaton inquired if the fee was normal; whereby, Ms. Whitley stated both fees were considered reasonable.

Commissioner Tolland asked if Brown & Brown was currently closer to $90,000; whereby, Ms. Whitley confirmed that was correct if they continued with a commission-based fee.

Commissioner Briley questioned the contract length; whereby, Ms. Whitley explained it was a five-year contract total, noting it was a three-year initial contract with two optional one-year renewals.

Commissioner Sargent inquired about the reduction in the Brown & Brown fees noting concerns of lack of services with the reduction.

Mayor Leslie questioned if there were any issues with the current broker; whereby, Ms. Samantha Potts, Human Resource Manager, stated there were no issues.

Commissioner Tolland expressed concerns with police officers going out of town for services; whereby, Ms. Whitley stated local providers were always preferred, and explained the officers Commissioner Tolland was referring to were related to workers' compensation claims which fell under a different insurance with different providers.

Mayor Leslie discussed his history with health insurance and stated he preferred the

option that would save the city money.

Commissioner Briley explained it was a tough decision and would like some time to think about it.

Mayor Leslie stated the funds saved could be used for other projects the Commission wanted to get done such as the All-Terrain Vehicle (ATV) trailer for the Fire Department.

Commissioner Tolland noted the lower fee was nice and questioned if the potential cost savings would be worth the higher fee.

Mayor Leslie stated there was no guarantee for savings with the higher fee.

Mr. Kern discussed Brown & Brown's fees historically, FHCP's membership losses, and FRP's continual strive for innovation.

Commissioner Briley inquired about the FHCP membership loss; whereby, Ms. Scott stated FHCP lost Volusia County Schools membership, which totaled roughly 6,000 members, and explained providers were always switching in and out of networks and did not know any statistics saying there was a decrease in providers.

Commissioner Deaton stated she was not opposed to the risk of paying a higher fee for potential savings in future years, noting concerns with paying a higher fee with no guarantee of savings.

Mr. Kern stated he could not make that guarantee as the goal would be to not disrupt coverage for the first year, noting he believed year two would yield savings for the city. He stated FRP would be open to enter into conversations regarding a performance-based fee.

Commissioner Deaton inquired if a decision was needed; whereby, Ms. Whitley stated the Commission could table the item as there was some time to bring the item back.

Commissioner Briley agreed tabling may be the best option; whereby, Mayor Leslie stated he would prefer to vote on the item with no delays.

Ms. Whitley discussed the timeline for the agreement if it was not approved at the Commission meeting, noting both firms were qualified.

Mayor Leslie inquired the thoughts of Commissioner Deaton and Commissioner Briley; whereby, Commissioner Deaton stated it was a hard decision.

Commissioner Briley discussed the broker fee and the potential savings.

Mr. Randy Hayes, City Attorney, reviewed the options the Commission had for the City Commission meeting; whereby, Ms. Whitley indicated the item could be tabled until September 3, 2025, noting it would be a tight deadline, but would be manageable.

Commissioner Tolland inquired if any further information should be requested from the brokers to assist the voting Commissioners in their decision.

Commissioner Briley stated there was no guarantee for savings with other plans brought forward.

Commissioner Tolland noted the city saw Brown & Brown's creativity for savings in the past and was questioning if FRP should share their experiences; whereby, Mr. Kern stated he could gather information to show the company's history with other clients within the State of Florida.

Commissioner Sargent discussed the RFP requirements based on the plans the city currently had in place, suggesting other options be presented by the brokers.

Ms. Shanahan questioned if additional information could be provided based on the legal requirements of the RFP; whereby, Mr. Hayes stated staff provided the evaluation and recommendation based on the RFP advertised. He indicated it would depend on what data was being requested and if it fell within the footprint of the RFP scope. He explained they could not request information that fell outside the scope of the RFP.

Commissioner Briley clarified Commissioner Tolland's request for additional examples would fall within the scope, while Commissioner Sargent's request was too broad.

Commissioner Sargent inquired about shortening the length of the agreement; whereby, Mr. Hayes reviewed the RFP scope, noting some companies potentially did not submit due to the contract length, noting it would change the scope of the RFP to change the length of the contract.

Commissioner Deaton inquired if FRP's fee changed every year; whereby, Mr. Kern stated it did not. She asked what Brown & Brown's fee would change to after the three years; whereby, Ms. Scott stated it would be kept at $50,000.

Ms. Whitley questioned if a follow-up workshop was needed; whereby, Commissioner Deaton stated it was not, noting she needed more time.

Commissioner Briley stated he would like to see the item back on September 3, 2025, with the additional information Commissioner Tolland suggested.

Ms. Whitley stated she believed there were examples provided in the packet and requested clarification on what was being requested.

Commissioner Tolland explained Brown & Brown provided examples from the City of Edgewater on their creativity for cost savings and did not see an example like that from FRP, noting Brown & Brown could add additional examples.

Commissioner Briley noted he believed the item would be tabled at the meeting; whereby, Mayor Leslie confirmed.

3. ADJOURNMENT

Mayor Leslie adjourned the meeting at 6:51 p.m.

Prepared by: Taylor Lochert