



**BROWNSVILLE
PUBLIC UTILITIES BOARD**

Joseph L. Hollmann, Committee Chair

**Notice of a Compensation Committee Meeting of the
Brownsville Public Utilities Board**

MEETING DATE: September 28, 2026
MEETING TIME: 12:00 PM
MEETING LOCATION: BPUB Annex Building
Board Room
1425 Robinhood Drive
Brownsville, Texas 78521

Dial In: 1-408-418-9388
Access Code: 2499 365 7463 # #

Members of the public may listen to the meeting as it is being held by dialing one of the numbers listed below (same access code above). Because of technology limitations, only a limited number of callers will be allowed to call in, however, a recording of the meeting will be made available to the public after the meeting on [BPUB's website](#).

DISCUSSION AND POSSIBLE ACTION ON THE FOLLOWING MATTERS:
MEETING AGENDA

Call Open Meeting to Order at 12:00 p.m.

PUBLIC COMMENTS

PUBLIC COMMENTS WILL ONLY BE ACCEPTED IN WRITING NO LATER THAN ONE (1) HOUR IN ADVANCE OF THE MEETING BY SENDING THEM TO PublicComments@brownsville-pub.com. In the body of the email please include date, your name, your address, phone number, agenda item number, if applicable, or subject of discussion, and your comments.

- THERE IS A THREE (3)-MINUTE TIME LIMIT PER SPEAKER. THE PRESIDING OFFICER MAY, BUT IS NOT REQUIRED TO, ALLOW ADDITIONAL TIME TO A SPEAKER.
- THE SPEAKER MUST IDENTIFY BY NAME, ADDRESS, AND ORGANIZATIONAL AFFILIATION (IF ANY) BEFORE SPEAKING.

- QUESTIONS AND COMMENTS SHOULD BE ADDRESSED TO THE BOARD AS A WHOLE, NOT TO INDIVIDUAL BOARD MEMBERS, THE CEO, OR MEMBERS OF THE AUDIENCE.
- IF AN ISSUE ADDRESSED IS NOT INCLUDED ON THE AGENDA, NO FORMAL ACTION WILL BE TAKEN.

ITEMS FOR PRESENTATION AND DISCUSSION

1. Presentation and Discussion of the BPUB Group Health and Dental Partially Self-Insured Plan Changes and Rates for Policy Year 2027 - Sergio Delgadillo
2. Presentation and discussion of BPUB Group Supplemental Benefits and Voluntary Benefits Plan Changes and Rates for Policy Year 2027 - Sergio Delgadillo
3. Presentation and Discussion of Request for Proposals (RFP) P052-26 for the BPUB Supplemental Voluntary 457(b) Deferred Compensation (Retirement) Plan (Update) - Sergio Delgadillo
4. Discussion and/or Requests for Future Agenda Items -

RECESS TO CLOSED MEETING

Recess to Closed Meeting to Consider Matters Pursuant to Tex. Government Code Chapter 551, et seq.

At this time, the items on the Agenda designated for Closed Meeting will be considered. If there is an approved motion to go into Closed Meeting, the listeners will be placed on "hold" until the Board returns to Open Meeting.

1. Consideration and Possible Action on the position of Director of Internal Audit (Secs. 551.071 [attorney-client consultation] & 551.074 [personnel matters]). - Sergio Delgadillo

RECONVENE OPEN MEETING

CONSIDERATION AND ACTION ON CLOSED MEETING

1. Consideration and Possible Action on Items Discussed in Closed Meeting -

ADJOURNMENT

**Joseph
Hollmann**

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Hollmann
Date: 2026.09.22 15:47:44
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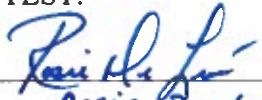
Joseph L. Hollmann, Committee Chair

The Brownsville Public Utilities Board (BPUB) Compensation Committee reserves the right to adjourn into executive session at any time to discuss any of the matters listed above, as authorized by Texas Government Code § 551.071 (Consultation with Attorney), § 551.072 (Deliberations about Real Property), § 551.074 (Personnel Matters), § 551.076 (Deliberations about Security Devices), § 551.086 (Public Utility Competitive Matters), § 551.087 (Economic Development), and § 551.089 (Department of Information Resources).

BPUB reserves the right to change the Meeting Room within the BPUB Facilities. If the specified room in the BPUB Facilities is changed before the Meeting after posting Notice, the Security Guard on the 1st Floor will direct attendees to the room in which the Meeting will be held.

I certify that a copy of the foregoing agenda of items to be considered by the BPUB was posted on 9/22/26.

ATTEST:



Rosie De León, Recording Secretary

Dial by your location: 1-408-418-9388 (US Toll)	
1-617-315-0704 (Boston)	1-312-535-8110 (Chicago)
1-469-210-7159 (Dallas)	1-720-650-7664 (Denver)
1-904-900-2303 (Jacksonville)	1-213-306-3065 (Los Angeles)
1-646-992-2010 (New York City)	1-602-666-0783 (Phoenix)
1-206-207-1700 (Seattle)	1-202-860-2110 (Washington, DC)

**Meeting Date**

September 28, 2026

Posting Language

1 - Presentation and Discussion of the BPUB Group Health and Dental Partially Self-Insured Plan Changes and Rates for Policy Year 2027

Open/Closed Session

ITEMS FOR PRESENTATION AND DISCUSSION

Action

Presentation

Executive Sponsor

Lead Department: 7140-Human Resources

Assigned Staff (Presenter): Sergio Delgadillo

Summary

Presentation of the recommended health and dental benefit strategy and associated rates for BPUB's partially self-insured plans for Policy Year 2027. The proposal is designed to address rising healthcare costs while maintaining competitive, sustainable employee benefits that support BPUB's long-term workforce retention and employee engagement goals. The recommendation transitions BPUB from a single medical plan offering to a dual-plan structure, providing employees with greater flexibility to select coverage that best aligns with their healthcare needs and financial circumstances. The proposed approach includes a new \$1,000 PPO Base Plan and a \$2,000 PPO Buy-Down Plan, while preserving access to the same PPO provider network and maintaining BPUB's commitment to substantial employer-funded premium contributions. The proposal reflects a forward-looking cost management strategy that seeks to balance affordability, plan sustainability, employee choice, and benefit value in response to continued healthcare cost pressures.

Strategic Initiatives**Referring Committee**

Name of Committees _____

Date of Meeting _____

Recommendation(s) _____

Vote(s) _____

Fiscal Impact

Budgeted Bid Award Reallocation No Fiscal Impact

Source of Funding: Operations and Maintenance(O&M) - Plant Fund

Recommended Motion

BPUB staff recommends adoption of the proposed 2027 BPUB Group Health and Dental Partially Self-Funded Plan design and rate structure and requests that the item be advanced to the full Board for consideration and approval.



Health Partially Self-Insured Plan

PRESENTATION AND DISCUSSION OF THE BPUB GROUP HEALTH AND DENTAL
PARTIALLY SELF-INSURED PLAN CHANGES AND RATES FOR POLICY YEAR 2027

● ● ● COMPENSATION COMMITTEE MEETING | SEPTEMBER 28, 2026

Sergio Delgadillo

Division Manager for Administration

Human Resources

BPUB Strategic Business Plan 2026-2030

Strategy Alignment

Strategic Focus Area 1:
Employee Engagement
& Development

Strategic Focus Area (SFA) Definition

- Build a motivated, high-performing workforce
- Foster accountability, recognition, and growth
- Invest in talent development and succession

Strategic Challenge

- Address workforce rigidity and leadership gaps
- Strengthen retention amid talent market pressures
- Ensure continuity and strategic execution

Statement of Strategic Direction (SSD) - 2

- BPUB will increase employee retention by enhancing engagement, focusing on financial wellness, and modernizing HR practices.

2026 Health & Dental Program



January through December policy year



Claims funded through the BPUB Group Health & Dental Funds



Partially self-insured health and dental



Policy Year 2026 is the result of a new RFP year



Health plan includes \$200,000 individual stop-loss protection



Policy Year 2027 would be year 2 of the 3-year contract period



BCBSTX was approved for claims administration and stop-loss insurance



Alliant Insurance Services, Inc. serves as BPUB's insurance consultant

Employer Health-Care Costs Continue to Rise at Historically Elevated Rates



Aug 2026

Survey: Health benefit costs expected to jump 8.2% in 2027, the biggest increase since 2003

“Employers expect health benefit cost per employee to rise 8.2% in 2027 (after making changes to current plans)”

“2027 will be the fifth consecutive year of elevated health benefit cost growth after a decade of more moderate annual increases”



Aug 2026

2027 Employer Healthcare Strategy Survey

“Employers report that healthcare cost volatility has intensified the need for an overhaul in strategies to mitigate healthcare costs and optimize health outcomes”



Aug 2026

Employers Face 9.5% Healthcare Cost Increase in 2027

The healthcare cost squeeze shows no sign of easing, with employer healthcare costs projected to jump 9.5% in 2027, pushing average spending above \$19,000 per employee”

Employer Health-Care Costs Continue to Rise at Historically Elevated Rates



June 2026

Medical cost trend is expected to hit 9%, highest in 17 years. Can cost management strategies bend the trend?

*“The challenge is not to understand what is driving costs higher, but **whether health plans can deploy cost-of-care strategies quickly and effectively enough to slow the trajectory**”*

*“**Self-funded employers face higher budget pressure and more difficult tradeoffs around benefit design**, coverage strategy, PBM contracting, and workforce affordability.”*



July 2026

In Preliminary Rate Filings, ACA Marketplace Insurers Largely Propose Double-Digit Premium Increase For 2027, Following a Steep Climb This Year

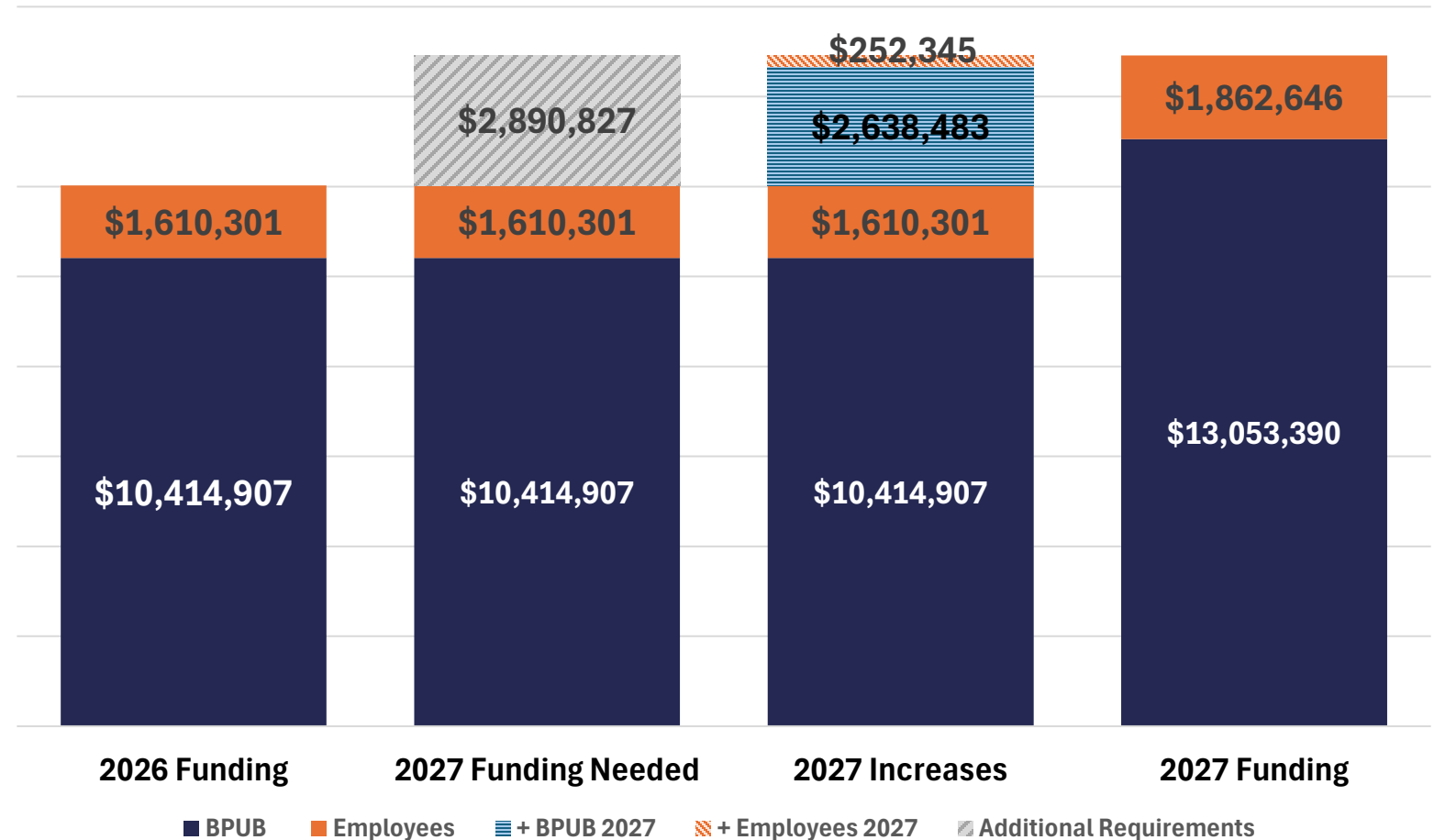
*“ACA Marketplace insurers are proposing a **median premium increase of 14% for 2027**”*

“most are requesting premium increases of between 10% and 20% for 2027, with 20 insurers requesting premium increases of more than 20%.”

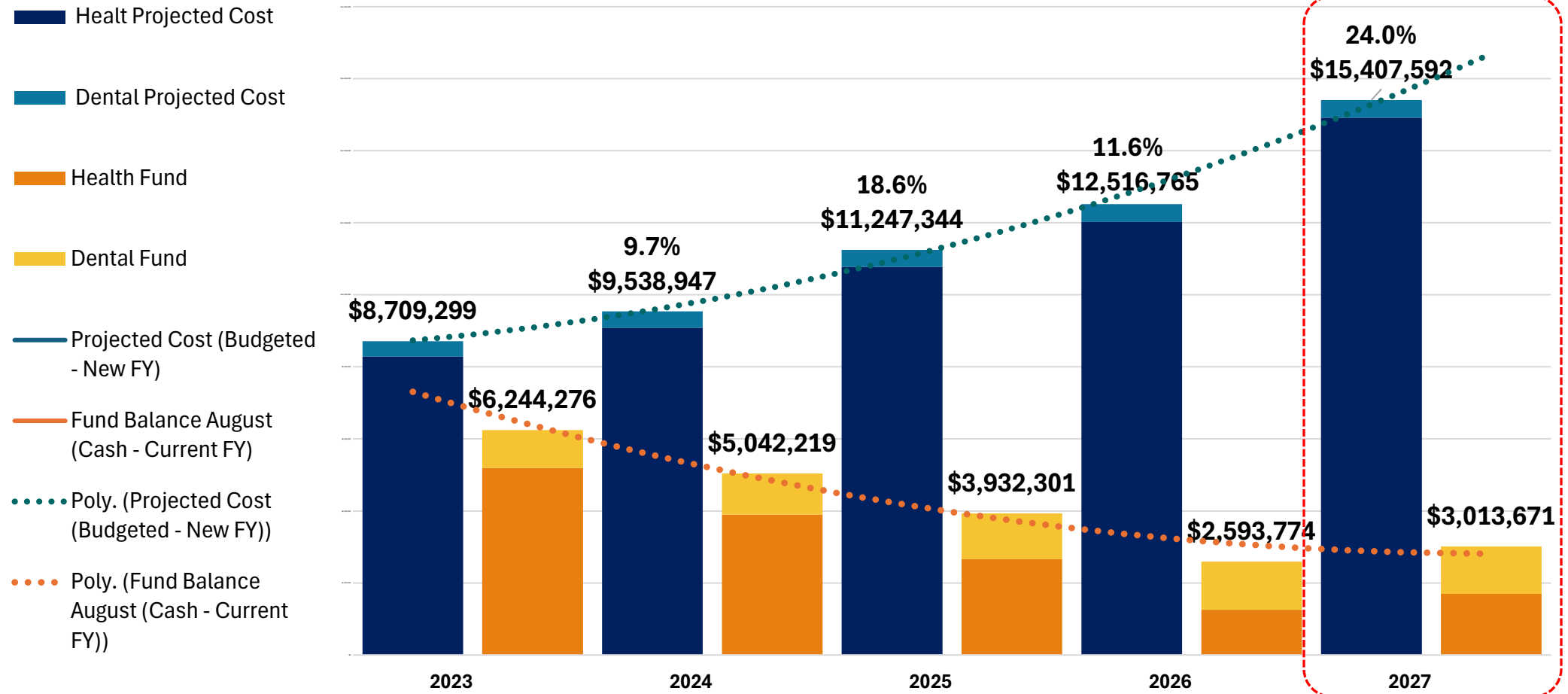
Expected Funding Requirements Under Current Plan Design

Highlights

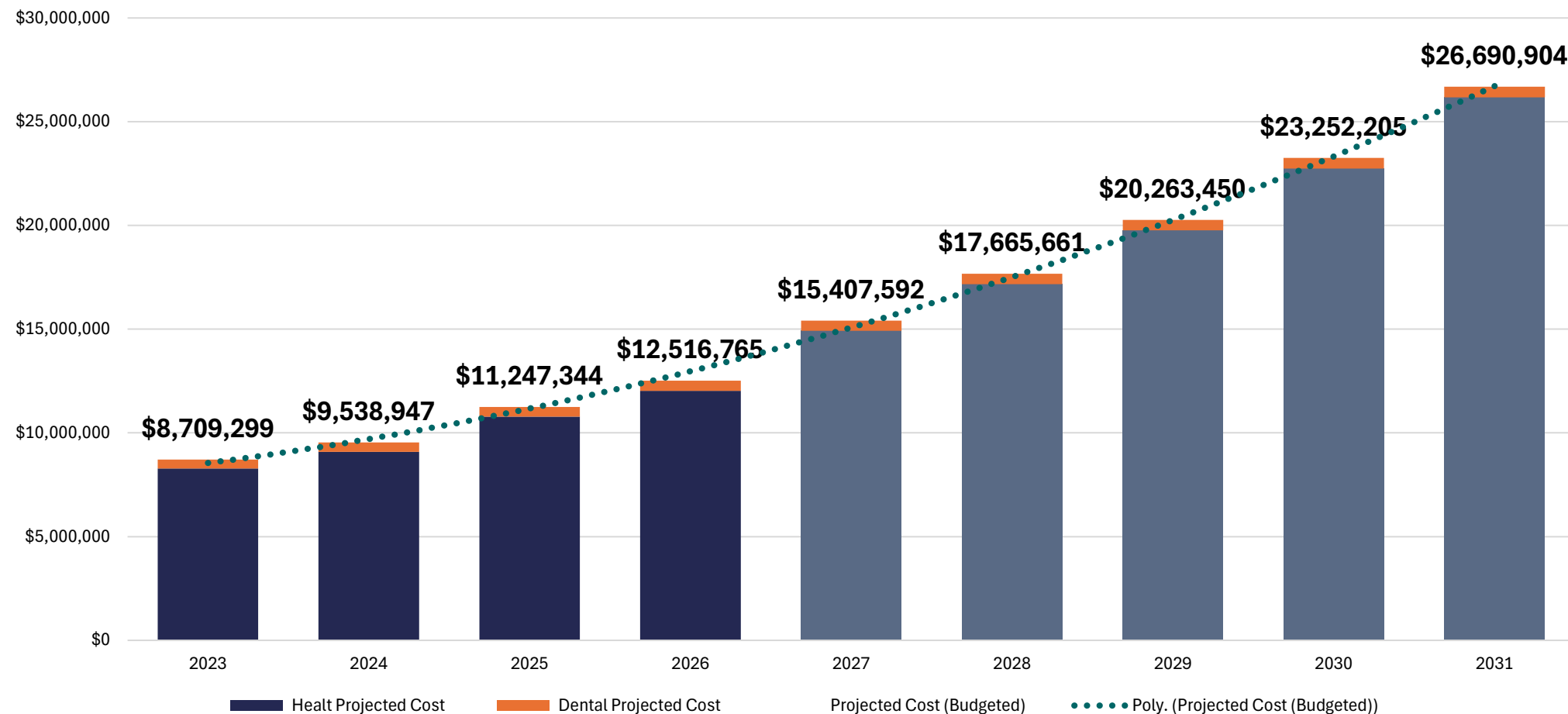
- 24.1% increase required on each employee tier
- Increase projected at \$2.9M based on current enrollment
- BPUB covers 88% of premiums, in aggregate
- Additional Budget BPUB ~\$2,890,830



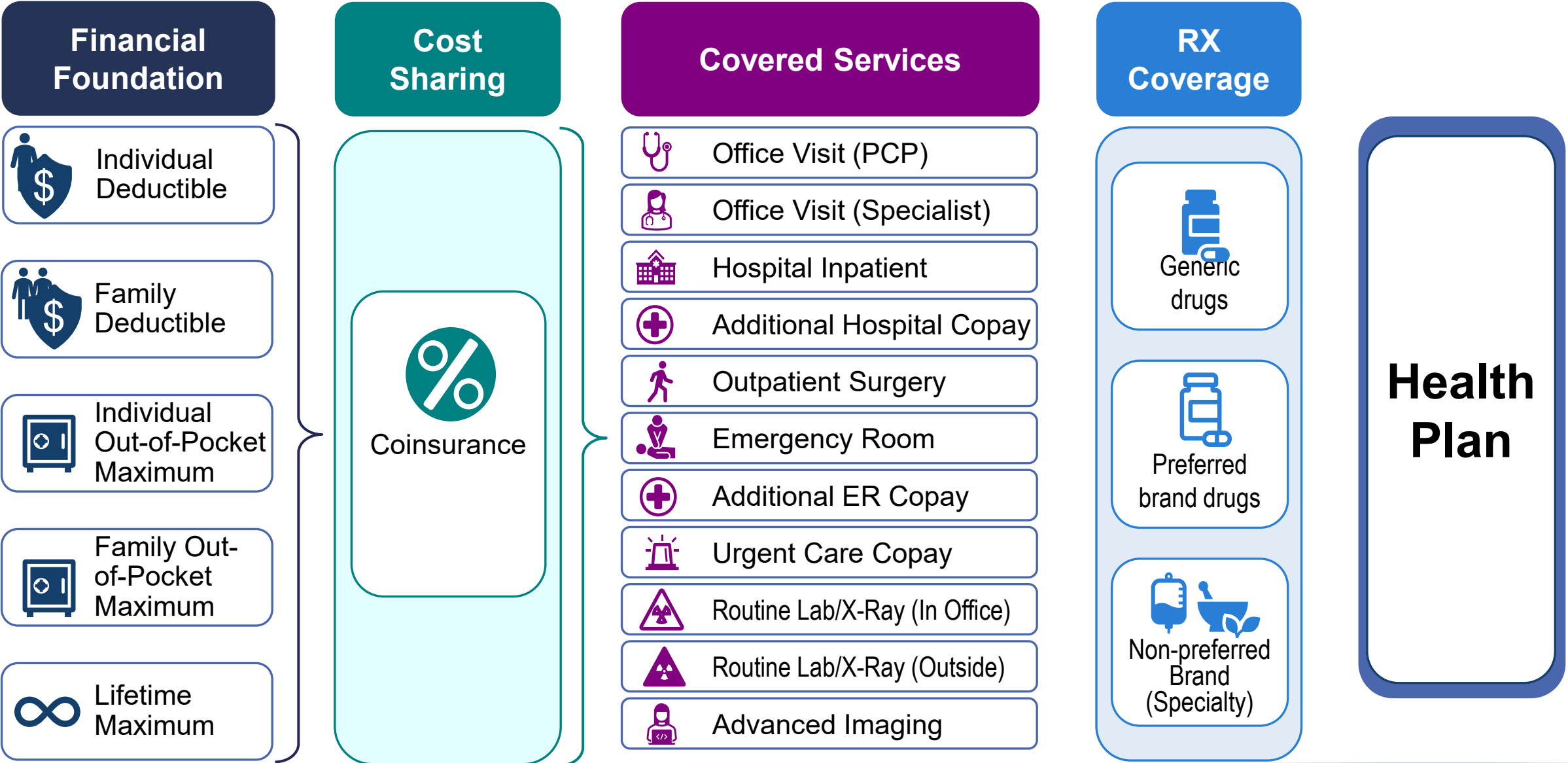
Historical Funding Performance: Health & Dental Plans



Health and Dental Plan Cost Trajectory



Health Plan Components



Health Plan Proposed Changes

Cost-of-care Strategy

BCBSTX Current \$500 PPO moving into \$1,000 PPO

What Stays the Same

- Same PPO network and in-network coverage access
- Primary Care Physician (PCP) copay remains \$30
- Specialist copay remains \$40
- Lifetime maximum remains unlimited

What Changes

Deductible

Individual	\$500	→	\$1,000
Family	\$1,000	→	\$2,000

Out-of-pocket Maximum

Individual	\$3,500	→	\$5,000
Family	\$7,000	→	\$10,000

Coinsurance

80% / 20% → 75% / 25%

Prescription Drug Costs

\$10/\$20/\$50 → \$15/\$30/\$60

Urgent Care Copay

\$50 → \$45

Emergency Room Copay

\$300 → \$500

Health Plan Proposed Changes

Cost-of-care Strategy

BCBSTX \$2,000 PPO Alternative Plan – Buy Down

What Stays the Same

- Same PPO network and in-network coverage access
- Lifetime maximum remains unlimited

What Changes

Deductible

Individual	\$500	→	\$2,000
Family	\$1,000	→	\$4,000

Out-of-pocket Maximum

Individual	\$3,500	→	\$7,000
Family	\$7,000	→	\$14,000

Coinsurance

80% / 20% → 70% / 30%

Prescription Drug Costs

\$10/\$20/\$50 → \$15/\$30/\$60

Office Visits

Primary Care:

\$30 → \$35

Specialist:

\$40 → \$45

Urgent Care

Copay

\$50 → \$55

Emergency

Room Copay

\$300 → \$500

Proposed Plans Deductible Chart - \$1,000 PPO and \$2,000 PPO

	BCBSTX - Current		BCBSTX - Plan Changes			
	\$500 PPO		\$1,000 PPO - Base Plan		\$2,000 PPO - Buy Down	
<i>Accumulator</i>	<i>Calendar Year</i>		<i>Calendar Year</i>		<i>Calendar Year</i>	
<i>Aggregate / Embedded Deductible</i>	<i>Embedded</i>		<i>Embedded</i>		<i>Embedded</i>	
Actuarial Value	87.60%		83.90%		80.40%	
BENEFITS	IN	OUT	IN	OUT	IN	OUT
Individual Deductible	\$500	\$2,000	\$1,000	\$4,000	\$2,000	\$5,000
Family Deductible	\$1,000	\$6,000	\$2,000	\$8,000	\$4,000	\$10,000
Individual Out of Pocket Max	\$3,500	\$15,000	\$5,000	\$20,000	\$7,000	\$40,000
Family Out of Pocket Max	\$7,000	\$45,000	\$10,000	\$65,000	\$14,000	\$80,000
Lifetime Max	Unlimited		Unlimited		Unlimited	
Coinsurance	80%	50%	75%	50%	70%	50%
Office Visit - PCP	\$30	50%	\$30	50%	\$35	50%
Office Visit - Specialist	\$40	50%	\$40	50%	\$45	50%
Hospital - Inpatient	80%	50%	75%	50%	70%	50%
Additional Hospital Copay	N/A		N/A		N/A	
Outpatient Surgery	80%	50%	75%	50%	70%	50%
Emergency Room	80%		75%		70%	
Additional ER Copay	\$300		\$500		\$500	
Urgent Care Copay	\$50	50%	\$45	50%	\$55	50%
Routine Lab/X-Ray - In Office Visit	OV Copay	50%	OV Copay	50%	OV Copay	50%
Routine Lab/X-Ray - Outside Facility	80%	50%	75%	50%	70%	50%
Advanced Imaging	80%	50%	75%	50%	70%	50%
RX Deductible	N/A		N/A		N/A	
Retail RX (In-Network)	\$10 / \$20 / \$50		\$15 / \$30 / \$60		\$15 / \$30 / \$60	

BPUB Group Health Insurance 2026 Participation and Rates

BCBSTX Medical \$500 PPO	EE Count	Monthly Premium	Employee Contr.	BPUB Contr.	BPUB Contr. %	Dependent Subsidy
Employee	373	\$986.49	\$0.00	\$986.49	100%	0.0%
Employee + Spouse	80	\$1,676.87	\$265.79	\$1,411.08	84%	61.5%
Employee + Child(ren)	75	\$1,643.41	\$252.91	\$1,390.50	85%	61.5%
Employee + Family	158	\$2,381.34	\$537.01	\$1,844.33	77%	61.5%
Yearly	686	\$12,019,414	\$1,500,948	\$10,518,466	88%	

Alliant Recommendation

- **Base Plan (1,000 PPO) +20%;**
- **Buy-Down Options 1 +10%**
- Dependent Subsidy remains at 61.5%
- Same Subsidy Amount Maintained for All Buy-Up Options
- 19.2% change to BPUB cost.

	Employee /Retiree Contribution	BPUB Health Funding Budget	BPUB Health Projected Cost
2026	\$1,500,948	\$10,518,466	\$12,019,414
2027	\$1,759,418	\$12,534,302	\$14,293,720
Change	\$258,470	\$2,015,836	\$2,274,306
Change	17.2%	19.2%	18.9%

BCBSTX Medical – 1,000 PPO	EE Count	Monthly Premium	Employee Contr.	EE Monthly vs. Current	Company Contr.	%	Dependent Subsidy
Employee	373	\$1,181	\$0	\$0	\$1,181	100.0%	0.0%
Employee + Spouse	56	\$2,008	\$318	\$52	\$1,690	84.1%	61.5%
Employee + Child(ren)	53	\$1,968	\$303	\$50	\$1,665	84.6%	61.5%
Employee + Family	111	\$2,851	\$643	\$106	\$2,208	77.4%	61.5%
Yearly	593	\$11,686,061	\$1,262,992	\$208,233	\$10,423,069	89%	

BCBSTX Medical – 2,000 PPO	EE Count	Monthly Premium	Employee Contr.	EE Monthly vs. Current	Company Contr.	%	Dependent Subsidy
Employee	0	\$1,138	\$0	\$0	\$1,138	100.0%	0.0%
Employee + Spouse	24	\$1,935	\$290	\$24	\$1,645	85.0%	61.5%
Employee + Child(ren)	22	\$1,896	\$275	\$22	\$1,621	85.5%	61.5%
Employee + Family	47	\$2,748	\$603	\$66	\$2,145	78.1%	61.5%
Yearly	93	\$2,607,659	\$496,426	\$50,236	\$2,111,233	81%	

Total	686	\$14,293,720	\$1,759,418	\$258,470	\$12,534,302	87.7%	
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BPUB Proposed Plan

- **Base Plan (1,000 PPO) +21%;**
- **Buy-Down Options 1 +0%**
- Dependent Subsidy remains at 61.5%
- Same Subsidy Amount Maintained for All Buy-Up Options
- 19.8% change to BPUB cost.

	Employee /Retiree Contribution	BPUB Health Funding Budget	BPUB Health Projected Cost
2026	\$1,500,948	\$10,518,466	\$12,019,414
2027	\$1,710,984	\$12,559,281	\$14,270,266
Change	\$236,923	\$2,083,765	\$2,320,688
Change	15.8%	19.8%	19.3%

BCBSTX Medical – 1,000 PPO	EE Count	Monthly Premium	Employee Contr.	EE Monthly vs. Current	Company Contr.	%	Dependent Subsidy
Employee	373	\$1,194	\$0	\$0	\$1,194	100.0%	0.0%
Employee + Spouse	56	\$2,029	\$322	\$56	\$1,707	84.1%	61.5%
Employee + Child(ren)	53	\$1,989	\$306	\$53	\$1,682	84.6%	61.5%
Employee + Family	111	\$2,881	\$650	\$113	\$2,232	77.4%	61.5%
Yearly	593	\$11,809,043	\$1,276,278	\$221,519	\$10,532,764	89%	

BCBSTX Medical - 2,000 PPO	EE Count	Monthly Premium	Employee Contr.	EE Monthly vs. Current	Company Contr.	%	Dependent Subsidy
Employee	0	\$1,105	\$0	\$0	\$1,105	100.0%	0.0%
Employee + Spouse	24	\$1,878	\$264	(\$2)	\$1,615	86.0%	61.5%
Employee + Child(ren)	22	\$1,841	\$249	(\$4)	\$1,592	86.5%	61.5%
Employee + Family	47	\$2,667	\$567	\$30	\$2,100	78.7%	61.5%
Yearly	93	\$2,531,060	\$461,593	\$15,404	\$2,069,467	82%	

Total	686	\$14,340,102	\$1,737,871	\$236,923	\$12,602,231	87.9%	
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Group Health Insurance Policy Year 2027 Funding Analysis

Period: January 1, 2027 - December 31, 2027

BCBSTX Administrative Services Only (ASO)
Projection

Description	Annual
Claim Costs	
Expected	\$12,960,643
Maximum	\$16,188,304
*Total Costs	
Expected	\$14,293,720
Maximum	\$17,531,381

Status-Quo Scenario - Funding Sources

	Policy Year 2026	Proposed Policy Year 2027
BPUB O&M Budget	\$10,397,309	\$12,602,493
Employee/Retiree Contribution	\$1,610,301	\$1,737,847
BPUB Health Fund	\$17,598	
Total	\$11,990,012	\$14,340,340
*\$200,000 Stop Loss		
Additional Funding Requirements		\$2,350,328

*Includes administrative & fix cost for \$ 1,343,076.68

Health Plan Coverage Level Categories

Insurance	Level	Typical Premium	Typical Deductible \$	Employer (Plan) Pays (Average)	Member Pays (Average) Coinsurance	Primary Care Copay	Specialist Copay
	Compact	Lowest	\$6,000-\$8,000+	60%	30%-40%	+50 or Full	+80 or Full
	Sedan	Moderate	\$2,000-\$5,000	70%	20%-30%	\$30-\$50	\$50-\$80
	SUV	Higher	\$500-\$2,000	80%	10%-20%	\$20-\$35	\$40-\$60
	Luxury	Highest	\$0-\$500	90%	0%-10%	\$10-\$25	\$20-\$40

Historical Overview of Health Plan Changes

Change from Single Plan to Dual Plan

From PPO 500 to PPO 1000

Employee Plus Spouse

Policy Year	Paid by BPUB				Paid by Employee			BPUB Dep Subsidy	BPUB Health Cost %
	Employee	Increase %	Dependent	Increase %	Dependent	Increase \$	Increase %		
2018	\$500.45	0.0%	\$203.06	0.0%	\$139.46	\$0.00	0.0%	59.3%	0.835 : 1.00
2019	\$525.47	5.0%	\$213.21	5.0%	\$146.44	\$6.98	5.0%	59.3%	0.835 : 1.00
2020	\$588.53	12.00%	\$247.57	16.12%	\$155.23	\$8.79	6.0%	61.5%	0.843 : 1.00
2021	\$647.38	10.00%	\$272.33	10.00%	\$170.75	\$15.52	10.0%	61.5%	0.843 : 1.00
2022	\$673.28	4.00%	\$283.22	4.00%	\$177.58	\$6.83	4.0%	61.5%	0.843 : 1.00
2023	\$673.28	0.00%	\$283.22	0.00%	\$177.58	\$0.00	0.0%	61.5%	0.843 : 1.00
2024	\$740.61	10.00%	\$311.53	10.00%	\$195.35	\$17.77	10.0%	61.5%	0.843 : 1.00
2025	\$888.73	20.00%	\$373.84	20.00%	\$234.42	\$39.07	20.0%	61.5%	0.843 : 1.00
2026	\$986.49	11.00%	\$424.59	13.58%	\$265.79	\$31.37	13.4%	61.5%	0.841 : 1.00
2027	\$1,193.65	21.00%	\$513.75	21.00%	\$321.61	\$55.82	21.0%	61.5%	0.841 : 1.00

Historical Overview of Health Plan Changes

Change from Single Plan to Dual Plan

From PPO 500 to PPO 2000

Employee Plus Spouse

Policy Year	Paid by BPUB				Paid by Employee			BPUB Dep Subsidy	BPUB Health Cost %
	Employee	Increase %	Dependent	Increase %	Dependent	Increase \$	Increase %		
2018	\$500.45	0.0%	\$203.06	0.0%	\$139.46	\$0.00	0.0%	59.3%	0.835 : 1.00
2019	\$525.47	5.0%	\$213.21	5.0%	\$146.44	\$6.98	5.0%	59.3%	0.835 : 1.00
2020	\$588.53	12.00%	\$247.57	16.12%	\$155.23	\$8.79	6.0%	61.5%	0.843 : 1.00
2021	\$647.38	10.00%	\$272.33	10.00%	\$170.75	\$15.52	10.0%	61.5%	0.843 : 1.00
2022	\$673.28	4.00%	\$283.22	4.00%	\$177.58	\$6.83	4.0%	61.5%	0.843 : 1.00
2023	\$673.28	0.00%	\$283.22	0.00%	\$177.58	\$0.00	0.0%	61.5%	0.843 : 1.00
2024	\$740.61	10.00%	\$311.53	10.00%	\$195.35	\$17.77	10.0%	61.5%	0.843 : 1.00
2025	\$888.73	20.00%	\$373.84	20.00%	\$234.42	\$39.07	20.0%	61.5%	0.843 : 1.00
2026	\$986.49	11.00%	\$424.59	13.58%	\$265.79	\$31.37	13.4%	61.5%	0.841 : 1.00
2027	\$1,193.65	21.00%	\$420.94	-0.86%	\$263.50	-\$2.29	-0.9%	61.5%	0.860 : 1.00

Historical Overview of Health Plan Changes

Change from Single Plan to Dual Plan

From PPO 500 to PPO 1000

Employee Plus Child(ren)

Policy Year	Paid by BPUB				Paid by Employee			BPUB Dep Subsidy	BPUB-EMP Ratio
	Employee	Increase %	Dependent	Increase %	Dependent	Increase \$	Increase %		
2018	\$500.45	0.0%	\$203.06	0.0%	\$139.46	\$0.00	0.0%	59.3%	0.835 : 1.00
2019	\$525.47	5.0%	\$213.21	5.0%	\$146.44	\$6.98	5.0%	59.3%	0.835 : 1.00
2020	\$588.53	12.00%	\$247.57	16.12%	\$155.23	\$8.79	6.0%	61.5%	0.843 : 1.00
2021	\$647.38	10.00%	\$272.33	10.00%	\$170.75	\$15.52	10.0%	61.5%	0.843 : 1.00
2022	\$673.28	4.00%	\$283.22	4.00%	\$177.58	\$6.83	4.0%	61.5%	0.843 : 1.00
2023	\$673.28	0.00%	\$283.22	0.00%	\$177.58	\$0.00	0.0%	61.5%	0.843 : 1.00
2024	\$740.61	10.00%	\$311.53	10.00%	\$195.35	\$17.77	10.0%	61.5%	0.843 : 1.00
2025	\$888.73	20.00%	\$373.84	20.00%	\$234.42	\$39.07	20.0%	61.5%	0.843 : 1.00
2026	\$986.49	11.00%	\$404.01	8.07%	\$252.91	\$18.49	7.9%	61.5%	0.846 : 1.00
2027	\$1,193.65	21.00%	\$488.85	21.00%	\$306.02	\$53.11	21.0%	61.5%	0.846 : 1.00

Historical Overview of Health Plan Changes

Change from Single Plan to Dual Plan

From PPO 500 to PPO 2000

Employee Plus Child(ren)

Policy Year	Paid by BPUB				Paid by Employee			BPUB Dep Subsidy	BPUB-EMP Ratio
	Employee	Increase %	Dependent	Increase %	Dependent	Increase \$	Increase %		
2018	\$500.45	0.0%	\$203.06	0.0%	\$139.46	\$0.00	0.0%	59.3%	0.835 : 1.00
2019	\$525.47	5.0%	\$213.21	5.0%	\$146.44	\$6.98	5.0%	59.3%	0.835 : 1.00
2020	\$588.53	12.00%	\$247.57	16.12%	\$155.23	\$8.79	6.0%	61.5%	0.843 : 1.00
2021	\$647.38	10.00%	\$272.33	10.00%	\$170.75	\$15.52	10.0%	61.5%	0.843 : 1.00
2022	\$673.28	4.00%	\$283.22	4.00%	\$177.58	\$6.83	4.0%	61.5%	0.843 : 1.00
2023	\$673.28	0.00%	\$283.22	0.00%	\$177.58	\$0.00	0.0%	61.5%	0.843 : 1.00
2024	\$740.61	10.00%	\$311.53	10.00%	\$195.35	\$17.77	10.0%	61.5%	0.843 : 1.00
2025	\$888.73	20.00%	\$373.84	20.00%	\$234.42	\$39.07	20.0%	61.5%	0.843 : 1.00
2026	\$986.49	11.00%	\$404.01	8.07%	\$252.91	\$18.49	7.9%	61.5%	0.846 : 1.00
2027	\$1,193.65	21.00%	\$397.89	-1.51%	\$249.08	-\$3.83	-1.5%	61.5%	0.865 : 1.00

Historical Overview of Health Plan Changes

Change from Single Plan to Dual Plan

From PPO 500 to PPO 1000

Employee Plus Family

Policy Year	Paid by BPUB				Paid by Employee			BPUB Dep Subsidy	BPUB Health Cost %
	Employee	Increase %	Dependent	Increase %	Dependent	Increase \$	Increase %		
2018	\$500.45	0.0%	\$381.01	0.0%	\$276.27	0.0%	0.0%	58.0%	0.761 : 1.00
2019	\$525.47	5.0%	\$400.06	5.0%	\$290.09	\$13.82	5.0%	58.0%	0.761 : 1.00
2020	\$588.53	12.00%	\$465.46	16.35%	\$307.50	\$17.41	6.0%	60.2%	0.774 : 1.00
2021	\$647.38	10.00%	\$512.01	10.00%	\$338.25	\$30.75	10.0%	60.2%	0.774 : 1.00
2022	\$673.28	4.00%	\$532.49	4.00%	\$351.78	\$13.53	4.0%	60.2%	0.774 : 1.00
2023	\$673.28	0.00%	\$532.49	0.00%	\$351.78	\$0.00	0.0%	60.2%	0.774 : 1.00
2024	\$740.61	10.00%	\$585.76	10.00%	\$386.94	\$35.16	10.0%	60.2%	0.774 : 1.00
2025	\$888.73	20.00%	\$702.92	20.00%	\$464.32	\$77.38	20.0%	60.2%	0.774 : 1.00
2026	\$986.49	11.00%	\$857.84	22.04%	\$537.01	\$72.69	15.7%	61.5%	0.774 : 1.00
2027	\$1,193.65	21.00%	\$1,037.98	21.00%	\$649.79	\$112.78	21.0%	61.5%	0.774 : 1.00

Historical Overview of Health Plan Changes

Change from Single Plan to Dual Plan

From PPO 500 to PPO 2000

Employee Plus Family

Policy Year	Paid by BPUB				Paid by Employee			BPUB Dep Subsidy	BPUB Health Cost %
	Employee	Increase %	Dependent	Increase %	Dependent	Increase \$	Increase %		
2018	\$500.45	0.0%	\$381.01	0.0%	\$276.27	0.0%	0.0%	58.0%	0.761 : 1.00
2019	\$525.47	5.0%	\$400.06	5.0%	\$290.09	\$13.82	5.0%	58.0%	0.761 : 1.00
2020	\$588.53	12.00%	\$465.46	16.35%	\$307.50	\$17.41	6.0%	60.2%	0.774 : 1.00
2021	\$647.38	10.00%	\$512.01	10.00%	\$338.25	\$30.75	10.0%	60.2%	0.774 : 1.00
2022	\$673.28	4.00%	\$532.49	4.00%	\$351.78	\$13.53	4.0%	60.2%	0.774 : 1.00
2023	\$673.28	0.00%	\$532.49	0.00%	\$351.78	\$0.00	0.0%	60.2%	0.774 : 1.00
2024	\$740.61	10.00%	\$585.76	10.00%	\$386.94	\$35.16	10.0%	60.2%	0.774 : 1.00
2025	\$888.73	20.00%	\$702.92	20.00%	\$464.32	\$77.38	20.0%	60.2%	0.774 : 1.00
2026	\$986.49	11.00%	\$857.84	22.04%	\$537.01	\$72.69	15.7%	61.5%	0.774 : 1.00
2027	\$1,193.65	21.00%	\$906.18	5.64%	\$567.27	\$30.26	5.6%	61.5%	0.787 : 1.00

BPUB Group Health Insurance 2027 Participation, Base Plan New Rates

			Health Plan (Annual Increase Employee)				
Salary Range	Annual COLA (FY 2027)		EO	EC	ES	FA	Grand Total
	From	To		\$670	\$637	\$1,353	
Less than \$45k	\$1,018	\$1,440	87	11	11	9	119
			~14.7%	~1.9%	~1.9%	~1.6%	~20%
From \$45k to <\$55k	\$1,440	\$1,760	73	16	11	28	129
			~12.3%	~2.8%	~1.9%	~4.7%	~22%
From \$55k to <\$70k	\$1,760	\$2,240	75	14	17	28	135
			~12.6%	~2.4%	~2.9%	~4.7%	~23%
From \$70k to <\$85k	\$2,240	\$2,720	33	15	9	31	89
			~5.5%	~2.6%	~1.6%	~5.2%	~15%
From \$85k to <\$100k	\$2,720	\$3,200	13	10	3	25	51
			~2.2%	~1.7%	~0.5%	~4.1%	~9%
More han \$100k	\$3,200		17	4	14	37	73
			~2.9%	~0.7%	~2.4%	~6.2%	~12%
Total			300	72	67	157	596
			~50%	~12%	~11%	~26%	100%

BPUB Group Dental Insurance Funding Analysis

Period: January 1, 2027 - December 31, 2027
BCBSTX Administrative Services Only (ASO)
Projection

Description	Annual
Claim Costs	
Expected	\$448,392
Total Costs	
Expected	\$491,556

Rate Increase Recommendations

	Policy Year 2026	Policy Year 2027
BPUB O&M Budget	\$359,393	\$352,533
Employee/Retiree Contribution	\$132,852	\$127,944
BPUB Dental Fund	\$0	\$11,079
Total	\$492,246	\$491,556

Recommended Health Insurance Rate Increase	0.0%
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** BPUB Dental Fund is projected to decrease by \$11,079 for policy year 2027*

Recommendation:

No changes to rates

Group Dental Insurance Policy Year 2027 Funding Analysis

Policy Year 2026 Approved Rates			
Tier	Rate	Enrollment	Total Cost/Tier
E/RO	\$36.24	321	\$11,633.04
E/R + Child (ren)	\$76.43	60	\$4,585.80
E/R + Spouse	\$76.43	70	\$5,350.10
E/R +S+C (Familiy)	\$101.31	192	\$19,451.52
Total Monthly Contributions		643	\$41,020.46
Total Annual Contributions			\$492,245.52
2026 Expected Liability			\$491,556.00
Liability			-\$689.52
Percentage			-0.1%
BPUB Contribution			\$359,393.28
Employee/Retiree Contribution			\$132,852.24
BPUB Health Fund (Increase)			
Total			\$492,245.52

Policy Year 2027 Proposed Funding Rates			
Tier	Rate	Enrollment	Total Cost/Tier
E/RO	\$36.24	319	\$11,560.56
E/R + Child (ren)	\$76.43	75	\$5,732.25
E/R + Spouse	\$76.43	63	\$4,815.09
E/R +S+C (Familiy)	\$101.31	177	\$17,931.87
Total Monthly Contributions		634	\$40,039.77
Total Annual Contributions			\$480,477.24
2026 Expected Liability			\$491,556.00
Liability			\$11,078.76
Policy Year 2027 Proposed Funding Sources			
BPUB O&M Budget			\$352,533.24
Employee/Retiree Contribution			\$127,944.00
BPUB Health Fund (Decrease)			\$11,078.76
Total			\$491,556.00

Recommended Premium Increase	
0.00%	
E/R + Child (ren)	0.0%
E/R + Spouse	0%
E/R (Familiy)	0%

Increase	%
-\$6,860.04	-1.9%
-\$4,908.24	-3.7%
\$11,078.76	
-\$689.52	-0.1%

* Estimated based on current enrollment and active employee rates for 2025 and projected for 2026

E/RO: Employee or retiree only

E/R+1: Employee or retiree plus one dependent

E/R+2 or More: Employee or retiree plus 2 or more dependents

Proposed Policy Year 2027 Dental Insurance Monthly Rates

Projected Enrollment

Tier	Emp
E/RO	319
E/R + Child (ren)	75
E/R + Spouse	63
E/R +S+C (Familiy)	177
Total	634

1	A	B	C	D	E	F	G
2	Proposed Policy Year 2027 Monthly Rates	Rate/Month	Employee/ Retiree Only	Dependent(s)	Dependent(s)	N/A	N/A
3	PAID BY:		BPUB	BPUB	Employee/ Retiree	N/A	N/A
4	Active Employees						
5	Employee	\$36.24	\$36.24	N/A	N/A	N/A	N/A
6	Employee + Child(ren)	\$76.43	\$36.24	\$15.07	\$25.12	\$6.96	\$11.60
7	Employee + Spouse	\$76.43	\$36.24	\$15.07	\$25.12	\$6.96	\$11.60
8	Employee + Family	\$101.31	\$36.24	\$24.40	\$40.67	\$11.27	\$18.78
9	Retirees: Based on BCBSTX Recommended Rate and 2% Adm. Fee						
10	Retiree	\$36.96	\$0.00	\$0.00	\$36.96	\$0.00	\$16.26
11	Retiree+ Child(ren)	\$77.96	\$0.00	\$0.00	\$77.96	\$0.00	\$34.28
12	Retiree+ Spouse	\$77.96	\$0.00	\$0.00	\$77.96	\$0.00	\$34.28
13	Retiree+ Family	\$103.34	\$0.00	\$0.00	\$103.34	\$0.00	\$45.41
14	COBRA Rates: Based on BCBSTX Recommended Rate and 2% Adm. Fee						
15		Rate/Month	Former Emp Only	Dependent(s)	Dependent(s)	N/A	N/A
16	PAID BY:		BPUB	BPUB	Former Employee	N/A	N/A
17	Former Employee	\$36.96	\$0.00	\$0.00	\$36.96		
18	Former Emp +Child(ren)	\$77.96	\$0.00	\$0.00	\$77.96		
19	Former Emp +Spouse	\$77.96	\$0.00	\$0.00	\$77.96		
20	Former Empl + Family	\$103.34	\$0.00	\$0.00	\$103.34		



Q&A



Meeting Date

September 28, 2026

Posting Language

2 - Presentation and discussion of BPUB Group Supplemental Benefits and Voluntary Benefits Plan Changes and Rates for Policy Year 2027

Open/Closed Session

ITEMS FOR PRESENTATION AND DISCUSSION

Action

Presentation

Executive Sponsor

Lead Department: 7140-Human Resources

Assigned Staff (Presenter): Sergio Delgadillo

Summary

Presentation of the proposed 2027 BPUB Group Supplemental and Voluntary Benefits program, including projected costs, participation levels, and recommended plan enhancements

Strategic Initiatives

Referring Committee

Name of Committees _____
Date of Meeting _____
Recommendation(s) _____
Vote(s) _____

Fiscal Impact

Budgeted Bid Award Reallocation No Fiscal Impact

Source of Funding: Operations and Maintenance(O&M) - Plant Fund

Recommended Motion

BPUB staff recommends adoption of the proposed 2027 BPUB Group Supplemental and Voluntary Benefits program and that the item be advanced to the full Board for consideration and approval.



BROWNSVILLE
PUBLIC UTILITIES BOARD

BPUB Group Supplemental and Voluntary Benefits

POLICY YEAR 2027

● ● ● COMPENSATION COMMITTEE MEETING | SEPTEMBER 28, 2026

Sergio Delgadillo

Division Manager for Administration

Human Resources Division

Presentation and discussion of BPUB Group Supplemental Benefits and Voluntary Benefits Plan Changes and Rates for Policy Year 2027



Background

History

Policy Year: January – December

Current Policy Year 2025: First year of the (3)-Plan Year (PY) contract

- Board Approval – October 8, 2024 through RFP process

Upcoming Policy Year 2027: Third year of the (3) PY contract

Insurance Consultant/Agent of Record Contract – Alliant Insurance Services

Employee Benefits

Benefits to Protect Income

Group Benefits Purchased by BPUB

- Basic Term Life and AD&D Insurance
- Long-Term Disability

Voluntary: (Optional) Purchased by Employees

- Voluntary Life/AD&D Insurance
- Short-Term Disability

Employee Benefits

Ancillary Benefits

Group: Purchased by BPUB

- Cafeteria Plan Administration / Flexible Spending Account (Administration)

Voluntary: (Optional) Purchased by Employees

- Group Vision
- Group Critical Care Insurance
- Group Hospital Indemnity Insurance
- Cafeteria Plan Administration / Flexible Spending Account (Contributions)

Supplemental Benefits

12-Month Projection



12 Months Projected

Product (benefit)	Participation	Cost
Basic: Employer (BPUB) Paid		
Basic Term Life	613	\$65,790
Basic Term Life - Dependent	420	\$11,390
Accidental Life and Dismemberment (AD&D)	613	\$10,488
Long-Term Disability	613	\$79,519
Cafeteria Plan Administration / FSA (Administration)	304	\$12,403
Total		\$172,776
Voluntary: (Optional) Employee-Paid		
Term Life & AD&D Insurance - Employee	386	\$144,535
Term Life & AD&D Insurance - Spouse	172	\$24,331
Term Life & AD&D Insurance - Child	185	\$6,228
Short-Term Disability	225	\$81,544
Vision	490	\$48,763
Accident	351	\$56,334
Critical Illness	342	\$85,374
Hospital Indemnity	239	\$81,004
Total		\$459,690
Grand Total		\$632,466



Proposed Changes to Vision: Introducing a New Buy-Up Plan Option

Summary of Benefits

Highest Plan Max
Rates are 25% higher than the low plan but provides double the benefit and less than half the current copay.

		MetLife - Current/Renewal		MetLife Dual Plan option			
		Vision Plan		Vision Plan - High		Vision Plan - Low	
<i>Accumulator</i>							
BENEFITS		IN	OUT	IN	OUT	IN	OUT
Copay (Exam / Materials)		\$25	\$45 allowance	\$10	\$45 allowance	\$25	\$45 allowance
Frequency (Exam / Lenses / Frames)		12/12/24		12/12/24		12/12/24	
Exam		\$25	\$45 allowance	\$10	\$45 allowance	\$25	\$45 allowance
Single Vision Lenses		\$25	\$30 allowance	\$10	\$30 allowance	\$25	\$30 allowance
Bifocal Lenses		\$25	\$50 allowance	\$10	\$50 allowance	\$25	\$50 allowance
Trifocal Lenses		\$25	\$65 allowance	\$10	\$65 allowance	\$25	\$65 allowance
Frame Allowance		\$130	\$70 allowance	\$250	\$70 allowance	\$130	\$70 allowance
Contact Lenses - Medically Necessary		Covered in full	\$210 allowance	Covered in full	\$210 allowance	Covered in full	\$210 allowance
Contact Lenses - Elective		\$130	\$105 allowance	\$250	\$105 allowance	\$130	\$105 allowance
Employer Paid or Voluntary		Voluntary		Voluntary		Voluntary	
RATES		ENROLLMENT		CURRENT		RENEWAL	
EE Only		220		\$4.04	\$4.20	\$6.22	\$4.20
EE + Spouse		73		\$8.07	\$8.39	\$12.49	\$8.39
EE + Child(ren)		46		\$9.63	\$10.02	\$10.57	\$10.02
EE + Family		145		\$14.71	\$15.03	\$17.43	\$15.03
PREMIUM		484		14.71			
Monthly Premium				\$4,054	\$4,177	\$3,139	\$2,469 \$0
Annual Premium				\$48,646	\$50,121	\$37,665	\$29,631 \$0
\$ Change Over Current					\$1,475	-\$10,981	-\$19,015 -\$48,646
% Change Over Current					3.0%	-22.6%	-39.1% -100.0%

Q & A

**Meeting Date**

September 28, 2026

Posting Language

3 - Presentation and Discussion of Request for Proposals (RFP) P052-26 for the BPUB Supplemental Voluntary 457(b) Deferred Compensation (Retirement) Plan (Update)

Open/Closed Session

ITEMS FOR PRESENTATION AND DISCUSSION

Action

Presentation

Executive Sponsor

Lead Department: 7140-Human Resources

Assigned Staff (Presenter): Sergio Delgadillo

Summary

Presentation and discussion of the status of Request for Proposal (RFP) P052-26 for BPUB's Supplemental Voluntary 457(b) Deferred Compensation Plan. The update reviews the procurement process, vendor response activity, evaluation progress, and the role of BPUB's independent retirement plan advisor in supporting the review. The item also outlines the project timeline and next steps toward selecting a provider that will support employee retirement savings opportunities and long-term plan administration.

Strategic Initiatives**Referring Committee**

Name of Committees _____
Date of Meeting _____
Recommendation(s) _____
Vote(s) _____

Fiscal Impact

Budgeted Bid Award Reallocation No Fiscal Impact

Source of
Funding:

No Funding Requested

Recommended Motion

BPUB staff recommends, in order to provide additional flexibility in the selection process, contract execution, and possible transition of plan administration and associated funds for RFP P052-26, this item be forwarded to the Board of Directors for consideration and approval of an extension of the current 457(b) Deferred Compensation Plan administration agreement for a period not to exceed six (6) months, and authorization for the General Manager and CEO to execute all necessary documents.



BROWNSVILLE
PUBLIC UTILITIES BOARD

BPUB Group Supplemental and Voluntary Benefits

SUPPLEMENTAL VOLUNTARY 457(B) DEFERRED COMPENSATION (RETIREMENT) PLAN

● ● ● COMPENSATION COMMITTEE MEETING | SEPTEMBER 28, 2026

Sergio Delgadillo

Division Manager for Administration

Human Resources Division

Presentation and Discussion of Request for Proposals (RFP) P052-26 for the BPUB Supplemental Voluntary 457(b) Deferred Compensation (Retirement) Plan (Update)



Voluntary 457(b) Deferred Compensation (Retirement) Plan

Allows employees to defer pre-tax income, lowering taxable income while investments grow tax-deferred until retirement

457(b) Plan Administration

- BPUB offers a 457(b) deferred compensation plan through Equitable Retirement.
- Original agreement included a five-year term with annual renewal options upon Board approval.
- Initial term concluded in March 2024. Board approved renewal through December 31, 2026

RFP P052-26 Procurement Status Update

457(b) Plan Administration

- Advertised July 18, 2026; vendor questions due July 27, 2026.
- Original proposal submission deadline: August 12, 2026, at 5:00 p.m.
- Proposal acknowledgment scheduled for August 13, 2026, at 10:00 a.m.
- Proposal period extended one week, establishing proposal acknowledgment on August 21, 2026.
- Six (6) vendor responses received and currently under evaluation.

Independent Advisory Support for the 457(b) Plan

- BPUB has retained HUB Investment Partners as its independent retirement plan advisor to support the governance and oversight of the 457(b) Deferred Compensation Plan.
- The firm conducts periodic plan reviews and advises management on opportunities to enhance plan effectiveness, employee engagement, and retirement readiness.
- For RFP P052-26, HUB served in an advisory capacity, assisting with procurement planning, market analysis, evaluation methodology, and development of recommendations for management and Board consideration.

RFP P052-26 Project Timeline

Phase / Activity	Target Date	Owner	Status
Finalist presentations / due diligence	~September 1–15, 2026	<i>Consultant + BPUB</i>	UPCOMING
Recommendation presented to BPUB Executive Team	~September 22, 2026	<i>Consultant</i>	UPCOMING
Compensation Committee / Board agenda submission (21-day advance requirement)	~September 22, 2026	<i>BPUB</i>	BPUB ACTION
BPUB Board / Committee approval	October 5 or 12, 2026 (Board meeting)	<i>BPUB Board</i>	MILESTONE
Contract execution	~October 7–14, 2026	<i>BPUB Legal + New Vendor</i>	UPCOMING
Asset transfer / transition period (current recordkeeper audit + conversion)	Oct – Dec 2026 (90–120 days) Note: Equitable may hold assets through year-end	<i>Current Provider + New Vendor</i>	NOTE
Target go-live / new provider launch	January 1, 2027 (goal) or as soon as transfer completes	<i>New Vendor + BPUB</i>	GOAL

Q & A