

## City Council – Action Request Form

**Date:** January 17, 2024

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**To:** Mayor, Mayor Pro Tempore, and Members of the City Council

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**From:** Aaron King, Assistant City Manager  
Jeff Fansler, Director of Transportation

**Council Action Requested:**  
Resolution Authorizing Health Insurance through Cigna for Medical and Dental Health Insurance Benefits for the Employees of Winston-Salem Service Division of Transdev North America Inc.

**Strategic Focus Area:** Quality Transportation  
**Strategic Objective:** No  
**Strategic Plan Action Item:** No  
**Key Work Item:** No



**Summary of Information:**

The Winston-Salem Transit Authority (WSTA) has an agreement for Health and Benefits Consulting Services with Mercer for the employees of the Winston-Salem Service Division of Transdev, Inc. The agreement requests Mercer to survey the market on behalf of the employees providing transit services for the WSTA to produce market results and recommend providers based on cost and benefit savings. While marketing for benefits, Mercer is responsible for negotiating to provide the most cost effective and efficient plan designs. The current rate plan with Cigna expired on December 31, 2023. Mercer was able to negotiate a renewal rate and recommends that the City moves forward with Cigna as the most cost-effective option for providing the same benefits.

Based on the assessment from Mercer, staff recommends Cigna as the provider for Medical and Dental insurance coverage for the employees of Winston-Salem Service Division of Transdev North America, Inc. Cigna offers a rate increase of 9.5% or \$3,491,000 because of their negotiation with Mercer. This is an improvement from the initial renewal increase of 19% or \$3,794,000.

**Committee Action:**

<b>Committee</b>	FC – 01/17/2024	<b>Action</b>	Approval
<b>For</b>	Unanimous	<b>Against</b>	
<b>Remarks:</b>			

WSDOT is currently soliciting for proposals for a new full-service transit provider which could result in the need to transfer plan ownership to the new contractor. The request for proposals document states that: “the Contractor shall be solely responsible for establishment and payment of wages and benefits for its employees and shall cause the withholdings to be made as required in the performance of the Contract”. It is the intent of the City to negotiate the transition of insurance coverage with the selected contractor within the bounds of the RFP and in coordination with the City’s legal counsel.