



Legislation Text

File #: 08-0596, **Version:** 1

Resolution to Approve the Two-Year Contract with Flores and Associates to Provide Flexible Benefit Plan and Health Reimbursement Account Administration to City Employees and Their Dependents and Authorize the City Administrator to Execute the Necessary Documentation (\$50,000.00)

The attached Resolution authorizes the City Administrator to execute the third party administration services contract with our third party administrator provider. Employees, through their labor agreements or in accordance with the City's employee benefit plans, have the availability of participating in flexible spending or health reimbursement accounts for their reimbursable health care or dependent care needs. The estimated cost of this employee benefit renewal is \$50,000.

Flexible spending accounts and/or health reimbursement accounts are required by our current labor agreements and our employee benefits program. The City currently pays a monthly administrative fee per contract to Flores to process claims and track annual plan limits. For the Fiscal Years 2006 - 2007 and 2007 - 2008, monthly Administrative Fees per employee contract for flexible benefit plan administration were \$5.25, and for health reimbursement account administration were \$3.25. The renewal rates remain unchanged for the Fiscal Year 2008 - 2009, so monthly Administrative Fees per employee contract for flexible benefit plan administration will remain \$5.25, and for health reimbursement account administration will remain \$3.25. There is a two-year rate guarantee until June 30, 2010. The estimated total cost for the Fiscal Year 2008 - 2009 is \$50,000.

The costs for the program will fluctuate monthly depending both on the number of employees enrolled in the program during any given month.

Flores and Associates received Human Rights approval on March 10, 2008.

The above referenced cost projections are in accordance with the approved Fiscal Year 2008 - 2009 budget, barring any unforeseen circumstances.

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Reviewed By: Carol S. Schuler, Director of Human Resources and Labor Relations

Approved By: Roger W. Fraser, City Administrator

Whereas, The City provides flexible spending accounts and health reimbursement accounts in accordance with the employee benefits program and various labor contracts at an estimated annual cost of approximately \$50,000;

Whereas, The City's contract with Flores and Associates was effective on July 1, 2006;

Whereas, There was a two-year rate guarantee and thus no change to the renewal rates effective July 1, 2007;

Whereas, The renewal contract does not change the rates, and there is a two-year rate guarantee until June 30, 2010;

Whereas, The Human Resources Services recommends renewal of this contract;

Whereas, Funds have been appropriated in the Fiscal Year 2008 - 2009 budget to cover projected costs associated with the provision of flexible spending accounts and health reimbursement accounts for the fiscal year and will be budgeted in the Fiscal Year 2009-2010 budget to cover projected costs for that fiscal year; and

Whereas, Flores and Associates received Human Rights approval on March 10, 2008;

RESOLVED, That City Council approve renewal contract for the period July 1, 2008 to June 30, 2010, with Flores and Associates to provide flexible spending account and/or health reimbursement account administration to City employees and their eligible dependents; and

RESOLVED, That the City Administrator is authorized and directed to execute the necessary contract documentation after approval as to form by the City Attorney and take any further necessary administrative actions to implement this resolution.