



## Legislation Text

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**File #:** 16-0781, **Version:** 2

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Resolution to Approve Amendment No. 3 to the Hosting Agreement with Ultimate Software Group, Inc., Amend the FY17 Budget and Appropriate Necessary Funds (\$57,450.00) for Retiree Medical Plan Participant Data Conversion to Satisfy Affordable Care Act Requirements (**8 Votes Required**) Attached for your review and consideration is a resolution to approve Amendment No. 3 to the Hosting Agreement with Ultimate Software Group, Inc. for City retiree medical plan participant data conversion, ACA configuration and consulting (one-time cost of \$24,150.00) and the required annual subscription fee (\$33,300.00) for 925 HR Only licenses (effective July 1, 2016) as part of the Ultipro software program.

Budget/Fiscal Impact: The necessary funding for this requirement was not included in the FY2017 budget presented to City Council. Council is requested to amend the FY17 budget for the Risk Fund by \$57,450.00. There are sufficient funds available in the Risk Fund Fund Balance for this request.

Under the Affordable Care Act the City is required to produce new tax forms 1095-B and 1095-C to the IRS on behalf of all participants on the City's medical plan. The City does not have this data for reporting purposes in the required IRS format currently. Loading this data into the current HRIS system will ensure compliance and accuracy for these reporting requirements, therefore eliminating our risk of penalties and fines by the IRS.

The Ultimate Software Group Inc. complies with the requirements of the City's Non-discrimination and Living Wage ordinances

Prepared by: Deborah Carmack, HR Technology Specialist

Reviewed by: Robyn Wilkerson, Director of Human Resources and Labor Relations

Approved by: Tom Crawford, Interim City Administrator

Whereas, The Affordable Care Act reporting has required the City to produce data in a specific format;

Whereas, It is in the best interest of the City to have this data in one software program to ensure accuracy per IRS requirements;

Whereas, The City's current HRIS system hosted by Ultimate Software Group can be expanded to include the additional retiree medical plan participant data required by the Affordable Care Act;

Whereas, The additional services will require amendment of the terms of Hosting Agreement with Ultimate Software Group and appropriation of funds to the FY2017 budget for the one time expenditure for data conversion, ACA configuration and consulting services, and for the required annual subscription fee for the needed 925 HR Only licenses effective July 1, 2016;

Whereas, Ultimate Software has agreed to guaranteed pricing for these additional subscription services for the remainder of the term of the Hosting Agreement for the system;

Whereas, Subscription Fees for these services for subsequent years, beginning with FY2018 through the remainder of the term of the Hosting Agreement with Ultimate Software, will be budgeted in the respective annual Risk Fund expenditure budget; and

Whereas, Ultimate complies with the requirements of the City Non-discrimination and Living Wage ordinance;

RESOLVED, That City Council appropriate \$57,450.00 from the Risk Fund Fund balance to amend the approved FY17 Risk Fund expenditure budget by \$57,450.00, which funds to be available for expenditure without regard to fiscal year for the purpose stated herein;

RESOLVED, That City Council approve Amendment No. 3 to the Hosting Agreement with Ultimate Software Group, Inc. in the amount of \$57,450.00,

RESOLVED, That the Mayor and City Clerk are authorized and directed to execute the Amendment after approval as to substance by the City Administrator and approval as to form by the City Attorney; and

RESOLVED, That the City Administrator be authorized to take all necessary actions to implement this Resolution.