



## Legislation Text

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**File #:** 17-1931, **Version:** 1

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Resolution to Approve the Amendment and Renewal of the City's Contracts with Flores & Associates, LLC to Provide Flexible Spending and Health Reimbursement Account Administration to City Employees and Their Dependents and Authorize the City Administrator to Execute the Necessary Documentation (\$130,000.00)

The attached Resolution authorizes the City Administrator to amend and renew the third party claims administration services contract with Flores & Associates, LLC ("Flores"). Employees, through their labor agreements or in accordance with the City's employee benefit plans, have the option of participating in flexible spending or health reimbursement accounts for their reimbursable health care or dependent care needs.

Budget/Fiscal Impact: The cost projections reference below are in accordance with the approved FY18 and FY19 budget. The estimated total cost for FY18 and FY19 is \$130,000.

Our current labor agreements and our employee benefits program require flexible spending accounts and/or health reimbursement accounts. The City currently pays a monthly administrative fee per contract to Flores to process claims and track annual plan 76limits. Flores has made a two-year rate guarantee through the end of 2019; for FY18 and FY19, monthly Administrative Fees per employee contract for flexible benefit plan administration will be \$5.25, plus a \$1.25 debit card fee, and for health reimbursement account administration will be \$3.25.

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

Prepared By: Jessica Hull, Employee Benefits Supervisor

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

Approved By: Howard S. Lazarus, 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 \$65,000;

Whereas, The City's contract with Flores & Associates, LLC was last renewed effective on January 1, 2015 through December 31, 2017;

Whereas, Flores & Associates, LLC has not changed its rates, and such rates have a two-year rate guarantee until January 1, 2020;

Whereas, the City Attorney's Office has recommended the proposed amendment to such contract for the renewal period;

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

Whereas, Funds have been appropriated in the FY18 and FY19 budget to cover projected costs

associated with the provision of flexible spending accounts and health reimbursement accounts; and

Whereas, Flores & Associates, LLC complies with the requirements of the City's Non-Discrimination and Living Wage Ordinances;

RESOLVED, That City Council approve the amendment and renewal of its contracts with Flores & Associates, LLC for the period January 1, 2018 to December 31, 2019, 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.