



## Legislation Text

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**File #:** 16-0023, **Version:** 1

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Resolution to Approve a Contract with Flores and Associates to Provide Flexible Benefit Plan and Health Reimbursement Account Administration to City Employees and their Dependents (\$142,500)  
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.

Budget/Fiscal Impact: The necessary funds were appropriated as part of the FY16 approved budget and required funding for the remainder of the contract term will be budgeted in the FY17 and FY18 budget. The estimated annual cost of this employee benefit renewal is \$57,000.

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 FY14 and FY15, 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 FY16 and FY17, 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 January 1, 2018.

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

The requested approval is for an 30-month contract with our service provider. The contract for this Plan is transitioning from a fiscal year term to a calendar year term; which will requires retroactive approval of the contract term from July 1, 2015 to December 31, 2015.

Prepared by: Kelly Beck, Employee Benefits Supervisor

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

Approved by: Tom Crawford, Interim 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 \$57,000;

Whereas, The renewal contract does not change the rates, and there is a two-year rate guarantee until January 1, 2018;

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

Whereas, Necessary funding for the July 1, 2015 through June 30, 2016 portion of the contract term was approved as part of the FY16 budget and the remainder of the required funding will be budgeted

in the FY17 and FY18 budgets to cover projected costs associated with the provision of flexible spending accounts and health reimbursement accounts; and

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

RESOLVED, That City Council approve renewal contract for the period July 1, 2015 to December 31, 2017, 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.