



Legislation Text

File #: 20-0059, **Version:** 1

Resolution to Approve the Renewal of the City's Agreement with Flores & Associates, LLC to Provide Flexible Spending, Health Reimbursement Account and COBRA Administration to City Employees and Their Dependents and Authorize the City Administrator to Execute the Necessary Documentation 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. The estimated cost of this employee benefit renewal is \$350,000.

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 76limits. Flores has made a five-year rate guarantee through the end of 2024; for FY20, FY21, FY22, FY23, FY24, monthly Administrative Fees per employee contract for flexible benefit plan administration will be \$6.50 and for health reimbursement account administration will be \$3.25. The estimated total cost for FY20 through FY24 is \$350,000.

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

The partnership with Flores has been in place for many years. It has been a successfully administered arrangement at market competitive pricing. Proposals were solicited for COBRA services in 2016; Flores pricing was market competitive and due to the favorable relationship with Flores the City decided to hire Flores to support this administration.

The above referenced cost projections are in accordance with the approved FY20 and FY21 budget, barring any unforeseen circumstances.

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Reviewed By: John Fournier, Interim 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 \$70,000.00;

Whereas, The City's agreement with Flores & Associates, LLC was last renewed effective on January 1, 2018 through December 31, 2019;

Whereas, Flores & Associates, LLC has not changed its rates, and such rates have a five-year rate guarantee until January 1, 2025;

Whereas, Human Resources Services recommends renewal of this contract;

Whereas, Funds have been appropriated in the FY20 and FY21 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; and

RESOLVED, That City Council approve the renewal of the City's agreement with Flores & Associates, LLC for the period January 1, 2020 through December 31, 2024, to provide flexible spending account and/or health reimbursement account administration to City employees and their eligible dependents;

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

RESOLVED, That the City Council approve the per participant and per insured (and related administrative) expenditures under the agreement for each eligible City participant during the renewal period, payable from the Risk Fund; and

RESOLVED, That the City Administrator be authorized to take all necessary actions to implement this resolution including execution of any amendments that do not exceed the amounts authorized herein.