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## MEMORANDUM

TO: Mayor Manier and Finance & Personnel Committee  
FROM: Joanie Baxter, Controller *JB*  
DATE: July 14, 2017  
SUBJECT: Flexible Spending Service Agreement

As you may recall, it was agreed for the City to stay with Consociate for flexible spending administration even though the health insurance plan was changed to the Intergovernmental Personnel Benefits Cooperative (IPBC) effective July 1, 2017. This was due in part to the fact that flexible spending is based on the calendar year and would be difficult to switch mid-year. Also, IPBC does not do flex administration in-house and would just recommend other TPA's to provide this service.

Consociate has offered the City a service agreement with a 2-year term ending June 30, 2019. The advantage of this is to lock in the competitive rate of \$4.75 per employee per month which has been the rate for a number of years and remains unchanged for this contract.

Staff is very pleased with the service provided by Consociate and recommends approval.

This matter will be on the agenda for discussion by the Finance & Personnel Committee as well as the Consent Agenda for the City Council should the Committee recommend approval.

C: City Administrator Culotta