

FINANCIAL IMPACT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Yvonne L. Deckard (Cathy Bless)	2. Telephone No. 503-823-5207	3. Bureau/Office/Dept. OMF/Bureau of Human Resources
4a. To be filed (date) April 28, 2010	4b. Calendar (Check One) Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/>	5. Date Submitted to FPD Budget Analyst: April 15, 2010

1) Legislation Title: *Authorize contract amendment administered by the Bureau of Human Resources, Benefits and Wellness Office with BenefitHelp Solutions for Flexible Spending Account Administration effective July 1, 2009 through June 30, 2014. (Ordinance)

2) Purpose of the Proposed Legislation: Maintain employee Flexible Spending Account administrative service agreement by re-establishing contract effective July 1, 2009 through June 30, 2014 with appropriate not-to-exceed amounts that will allow for additional contributions by employees.

3) Revenue:

Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If new revenue is generated please identify the source. NO

4) Expense:

What are the costs to the City as a result of this legislation? What is the source of funding for the expense? The Health Fund includes the appropriation in support of the estimated administrative costs of \$200,000 through the contract period. Annual forfeitures help to offset the expected administrative costs to the plan. All additional contracted amounts are considered employee earnings and are not paid by the Health Fund.

Staffing Requirements:

5) Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? (If new positions are created please include whether they will be part-time, full-time, limited term or permanent positions. If the position is limited term please indicate the end of the term.) NO

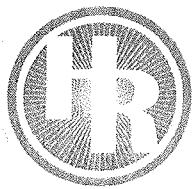
6) Will positions be created or eliminated in future years as a result of this legislation? NO

Complete the following section if you are accepting and appropriating a grant via ordinance. This section should only be completed if you are adjusting total appropriations, which currently only applies to grant ordinances.

7) Change in Appropriations (If the accompanying ordinance amends the budget, please reflect the dollar amount to be appropriated by this legislation. If the appropriation includes an interagency agreement with another bureau, please include the partner bureau budget adjustments in the table as well. Include the appropriate cost elements that are to be loaded by the Grants Office and/or Financial Planning. Use additional space if needed.)



APPROPRIATION UNIT HEAD (Yvonne L. Deckard)



City of Portland
Bureau of
Human Resources
Knowledgeable | Helpful | Responsive

183726

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Office of Management and Finance

Kenneth L. Rust, Chief Administrative Officer

DATE: April 15, 2010

TO: Mayor Sam Adams

FROM: Yvonne L. Deckard, Human Resources Director

FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison _____

RE: ORDINANCE TITLE: *Authorize contract amendment administered by the Bureau of Human Resources, Benefits and Wellness Office with BenefitHelp Solutions for Flexible Spending Account Administration effective July 1, 2009 through June 30, 2014. (Ordinance)

1. INTENDED THURSDAY FILING DATE: April 22, 2010

2. REQUESTED COUNCIL AGENDA DATE: April 28, 2010

3. CONTACT NAME & NUMBER: Cathy Bless, 503-823-5207

4. PLACE ON: CONSENT X REGULAR

5. BUDGET IMPACT STATEMENT ATTACHED: X Y N N/A

6. (3) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM BY CITY ATTORNEY
ATTACHED: X Yes No N/A

7. BACKGROUND/ANALYSIS

The ordinance re-establishes and amends the current Contract 30000523 with BenefitHelp Solutions (BHS). BHS is the City's Flexible Spending Account Administrator. Flexible Spending Accounts allow for employees to set-aside pre-tax dollars to pay for out-of-pocket qualifying healthcare expenses and to pay for dependent care expenses. In order to maintain the service agreement within SAP it is necessary to reflect the appropriate contracted not to exceed amounts. The original ordinance 182957 reflected a not to exceed amount of \$2,175,000 for the contract period. Amendment #1 (doc. 16001215) reflects an interim not to exceed amount of \$2,716,575 that allowed for employees pre-tax elections to be paid to BHS. Amendment #2 re-establishes the not to exceed contract amount to \$19,000,000 for the contract period between July 1, 2009 and June 30, 2010.

8. FINANCIAL IMPACT

The Health Fund includes the appropriation in support of the estimated administrative costs of \$200,000 through the contract period. Annual forfeitures help to offset the expected administrative costs to the plan. All additional contracted amounts are considered employee earnings and are not paid by the Health Fund.

9. RECOMMENDATION/ACTION REQUESTED

I recommend that the Mayor and City Council approve this ordinance.

Sam Adams, Mayor

We are an equal opportunity employer

Please notify the City of Portland of the need for ADA accommodations no less than five (5) days prior to any City-sponsored event by contacting the Bureau of Human Resources at 503-823-3572 or the City's TTY at 503-823-6868.

