



PURCHASING ITEM FOR COUNCIL AGENDA

1. Agenda Item Number:

19

2. Council Meeting Date: September 24, 2015

TO: MAYOR & COUNCIL

3. Date Prepared: August 31, 2015

THROUGH: CITY MANAGER

4. Requesting Department: Human Resources

5. SUBJECT: Amendment to Agreement for Short-Term Disability Income Plan and Family Medical Leave Act Administration.

6. RECOMMENDATION: Staff recommends City Council approve the Amendment to the Agreement with Matrix Absence Management, Inc., for administration of the short-term disability income benefit plan and Family Medical Leave Act administration services in an amount not to exceed \$75,000 for one year.

7. BACKGROUND/DISCUSSION: The City provides a short-term disability income benefit as a piece of the employee benefits package. The plan is self-funded and administered by a contracted third party service provider. The City also utilizes Matrix for the administration of services as required under the Family Medical Leave Act.

8. EVALUATION PROCESS: City staff reviews the employee benefits package each year with the assistance of an employee benefits consulting firm. Matrix Absence Management, Inc., as a successor to Reliance Standard Life Insurance Company, administers the City's self-funded short term disability (STD) income benefit plan. In addition, they assist with the coordination and administration of the City's Family Medical Leave Administration program (FMLA).

Staff recommends extension of this agreement for the term of January 1, 2016, through December 31, 2016. This is the second extension of the agreement.

9. FINANCIAL IMPLICATIONS:

Cost: Not to Exceed \$75,000

<u>Acct. No.:</u>	<u>Fund Name:</u>	<u>Program Name:</u>	<u>Amount:</u>
739.1290.5219.0.0.0 (STD)	Short Term Disability Self Insurance Fund	Employee Benefits	\$32,800
101.1290.5219.0.0.0 (FMLA)	General Fund	Employee Benefits	42,200
		Total	\$75,000

10. PROPOSED MOTION: Move City Council approve the Amendment to the Agreement with Matrix Absence Management, Inc., for administration of the short-term disability income benefit plan and Family Medical Leave Act administration services in an amount not to exceed \$75,000 for one year.

Attachments: Amendment

APPROVALS

11. Requesting Department

Lynna Soller

Lynna Soller, Benefit Program Manager

13. Department Head

Debra Stapleton

Debra Stapleton, Human Resources Director

12. Purchasing Manager

Christina Pryor

Christina Pryor

14. Acting City Manager

Marsha Reed

Marsha Reed

**CALENDAR YEAR 2016
AMENDMENT TO AGREEMENT
BETWEEN CITY OF CHANDLER AND
MATRIX ABSENCE MANAGEMENT, INC.
AS SUCCESSOR TO RELIANCE STANDARD
LIFE INSURANCE COMPANY FOR SHORT
TERM DISABILITY BENEFITS ADMINISTRATIVE
SERVICES AND TO ITS ADDENDUM FOR
FAMILY MEDICAL LEAVE ACT
ADMINISTRATIVE SERVICES**

This Amendment ("Calendar Year 2016 Amendment") is made and entered this 1st day of January, 2015 to the *City of Chandler and Matrix Absence Management, Inc. As Successor to Reliance Standard Life Insurance Company for Short-Term Disability Benefits Administrative Services Agreement No. HR1-953-2988*, dated January 6, 2012 ("Short Term Disability Agreement") and to the *Addendum to City of Chandler Administrative Services Agreement for Short Term Disability Benefits Plan Administrative Services Agreement No. HR1-953-2988* dated March 1, 2013 ("Family Medical Leave Act Addendum").

WHEREAS, the City of Chandler ("City") and Reliance Standard Life Insurance Company ("RSLIC") entered the Short Term Disability Agreement, dated January 6, 2012 with an initial term ending January 31, 2014; and

WHEREAS, RSLIC entered an *Agreement and Assumption Agreement*, dated January 6, 2012, assigning its rights and obligations under the Short Term Disability Agreement to Matrix Absence Management, Inc. ("Matrix") and the Chandler City Council approved that agreement through its Resolution No. 4570 on January 12, 2012; and

WHEREAS, the City and Matrix agreed to amend the Short Term Disability Agreement to authorize Matrix to provide absence and disability services for the City's Family Medical Leave Act ("FMLA") policy through the *Addendum to the City of Chandler Services Agreement for Short Term Disability Benefits Plan Administrative Services Agreement No.: HR:-953-2988*, dated March 1, 2013 with an initial term ending December 31, 2014; and

WHEREAS, through the *Calendar Year 2015 Amendment to Agreement Between the City of Chandler and Matrix Absence Management, Inc. as Successor to Reliance Standard Life Insurance Company for Short Term Disability Benefits Administrative Services and To Its Addendum for Family Medical Leave Act Administrative Services* (“Calendar Year 2015 Amendment”) the City and Matrix extended the Short-Term Disability Agreement and the Family Medical Leave Act Addendum for the term of January 1, 2015 through December 31, 2015, and guaranteed that the Agreement’s and Addendum’s respective current rates for Calendar Year 2015 will apply through Calendar Year 2016, if the City extends these agreements for Calendar Year 2016.

WHEREAS, the City and Matrix desire to extend the Short-Term Disability Agreement and the Family Medical Leave Act Addendum for the term of January 1, 2016 through December 31, 2016 at the same current respective rates charged for the services under the Agreement and the Addendum in Calendar Year 2015.

NOW THEREFORE, in consideration of the mutual covenants and provisions contained herein and other good and valuable consideration, the parties do agree as follows:

1. The term of the Short Term Disability Agreement is extended for the term of January 1, 2016 through December 31, 2016.
2. The term of the Family Medical Leave Act Addendum is extended for the term of January 1, 2016 through December 31, 2016.
3. The Parties agree that for Calendar Year 2016 Matrix shall provide the short term disability administration services and the Family Medical Leave Act Services at the same fees it charged for those services, respectively, for Calendar Year 2015.
4. Except for the provisions amended by Items 1, 2 and 3 above, the Short Term Disability Agreement, dated January 6, 2012 and the Family Medical Leave Act Addendum, dated March 1, 2013 as amended by the Calendar Year 2015 Amendment shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this *Calendar Year 2016 Amendment to the Agreement Between the City of Chandler and Matrix Absence Management, Inc. as Successor to Reliance Standard Life Insurance Company for Short-Term Disability Benefits Administrative Services and to its Addendum for Family Medical Leave Act Administrative Services* to be duly executed this ____ day of _____, 2015.

CITY OF CHANDLER,
an Arizona municipal corporation,

MATRIX ABSENCE MANAGEMENT,
INC.

By: _____
Mayor

By: K.F.C.
Title: PRESIDENT

APPROVED AS TO FORM:

ATTEST: (If corporation)

City Attorney *CH*

[Signature]
Secretary

ATTEST:

City Clerk