

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, APPROVING INCREASED ESTIMATED ANNUAL EXPENDITURES FOR THIRD PARTY ADMINISTRATION SERVICES FOR MEDICAL AND DENTAL PLANS WITH BLUE CROSS BLUE SHIELD OF FLORIDA/FLORIDA COMBINED LIFE FOR THE REMAINDER OF THE CURRENT CONTRACT TERM, WITH AN ESTIMATED ANNUAL AMOUNT FOR THE FINAL YEAR OF THE CONTRACT (ENDING DECEMBER 2016) NOT TO EXCEED 110% OF \$1,118,783.20.

WHEREAS, the City of Hollywood required an agreement with a third party administrator to administer its self-funded medical and dental insurance plans; and

WHEREAS, on June 1, 2011, the City Commission passed and adopted Resolution Number R-2011-128, which authorized the appropriate City Officials to execute an Amendment to the then existing agreement between Blue Cross and Blue Shield of Florida, Inc./Florida Combined Life and the City of Hollywood; and

WHEREAS, when the agreement between the City and Blue Cross and Blue Shield of Florida, Inc./Florida Combined Life was executed, the estimated expenditure for the third party administration and dental insurance was in the amount of \$941,478.00 annually; and

WHEREAS, the estimate was formulated based on the number of employees and retirees covered under the medical plan only and the established 2011 rates; and

WHEREAS, the agreement includes an annual escalation of the established 2011 rate, but the total estimated annual expenditure as stated in Resolution Number R-2011-128 did not take into account the escalations; and

WHEREAS, the number of employees and retirees changes annually, and the annual cost for medical coverage is subject to annual escalation; and

WHEREAS, the 2015 Per Employee Per Month administrative fee for medical is \$37.20 and \$3.77 for dental and the 2016 Per Employee Per Month administrative fee for medical is \$38.40 and \$3.77 for dental.

WHEREAS, the City's original 2011 estimated annual expenditure for both medical and dental has increased by \$144,890.80 for 2015, bringing the total for 2015 to

\$1,086,368.80, and \$177,305.20 for 2016, bringing the total for 2016 to \$1,118,783.20, by correctly estimating both medical and dental coverage and the escalation factor; and

WHEREAS, the Director of Human Resources requests that the City Commission authorize and approve the expenditure of an additional \$144,890.80 for the current year and \$177,305.20 for the subsequent year and additional amounts for 2015 and 2016 not to exceed 110% of the total estimated annual expenditure for each such year specified in the preceding paragraph to provide funding for third party administration and dental coverage based upon the escalation factor for the remainder of FY15 and FY16; and

WHEREAS, funding for this service has been provided in the FY15 and FY16 budget in Budget Account Numbers #58.1241.00000.590.009199 and #58.1241.00000.590.069198;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA:

Section 1: That it hereby approves and authorizes the increased expenditures requested above under the executed Amendment Agreement, dated May 6, 2011, between the City of Hollywood and Blue Cross and Blue Shield of Florida, Inc./Florida Combined Life.

Section 2: That this resolution shall be in full force and effect immediately upon its passage and adoption.

PASSED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
PETER BOBER, MAYOR

ATTEST:

\_\_\_\_\_  
PATRICIA A. CERNY, MMC, CITY CLERK

APPROVED AS TO FORM AND LEGALITY  
for the use and reliance of the  
City of Hollywood, Florida, only.

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JEFFREY P. SHEFFEL, CITY ATTORNEY