

1 **RESOLUTION NO. _____**

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3 **A RESOLUTION TO AUTHORIZE THE CITY MANAGER TO ENTER**
4 **INTO A CONTRACT WITH JTS FINANCIAL SERVICES, LLC, IN AN**
5 **AMOUNT NOT TO EXCEED THREE HUNDRED NINETY-FIVE**
6 **THOUSAND (\$395,000.00), FOR EMPLOYEE BENEFIT CONSULTATION**
7 **SERVICES; AND FOR OTHER PURPOSES.**

8
9 **WHEREAS**, the City of Little Rock, Arkansas, solicited qualifications to hire a firm to review the
10 City’s Employee Benefit Plan options and to make recommendations for an Employee Medical Plan and
11 associated items, *i.e.*, Data Analytics, Reconciliation Services, Web-Based Benefit Administration and
12 Enrollment Services, and Affordable Care Act Reporting; and,

13 **WHEREAS**, the City of Little Rock chose JTS Financial Services, LLC (JTS), after reviewing
14 submitted proposals; and,

15 **WHEREAS**, after consulting with JTS it was determined that the City has the option to have JTS
16 perform additional administrative services for Consolidated Omnibus Budget Reconciliation Act of 1985
17 (COBRA) Administration, Flexible Spending Account Administration and Dependent Care Plan
18 Administration and to provide a dedicated customer service platform; and,

19 **WHEREAS**, the City will have the option to extend this contract for six (6) additional one (1)-year
20 terms and the City may opt to purchase some of these services or the dedicated customer service platform
21 after the first year of the contract with JTS should it decide to extend the contract; and,

22 **WHEREAS**, for the first year of the contract between the City and JTS, regardless of whether the City
23 opts to extend the contract and regardless of which items or services the City purchases from JTS, the
24 amount of the contract shall not exceed Three Hundred Ninety-Five Thousand Dollars (\$395,000.00).

25 **WHEREAS**, professional services of this nature are crucial to ensure that the City will be able to
26 provide its employees with adequate health care options while maintaining City budgetary requirements.

27 **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY**
28 **OF LITTLE ROCK, ARKANSAS:**

29 **Section 1.** The City Manager is hereby authorized to enter into an agreement with JTS Financial
30 Services, LLC (JTS), to provide Consulting Services by reviewing the City’s Employee Benefit Plan
31 options and making recommendations for Employee Benefit Plans and associated items, *i.e.*, Data
32 Analytics, Reconciliation Services, Web-Based Benefit Administration and Enrollment Services, and
33 Affordable Care Act Reporting. The City has the option to have JTS perform additional administrative
34 services for it regarding COBRA Administration, Flexible Spending Account Administration and
35 Dependent Care Plan Administration and to provide a dedicated customer service platform.

1 **Section 2.** JTS will provide these consulting and Administrative Services for Data Analytics,
2 Reconciliation Services, Web-Based Benefit Administration and Enrollment Services, and Affordable Care
3 Act Reporting, and for any additional items the City opts for, from May 4, 2021, to May 4, 2022. The
4 amount the City will pay JTS for first year of this contract for said services will be in an amount not to
5 exceed Ninety Five Thousand Dollars (\$95,000.00).

6 **Section 3.** The City will have the option to extend its contract with JTS for six (6) additional one (1)-
7 year terms.

8 **Section 4.** If the City transitions to a partially Self-Insured Medical Plan in 2022, the City will only
9 compensate JTS in an amount that is a percentage of the savings the City derives from prescription rebates
10 and the reduction of administrative plan expenses as a result of the City's implementation of JTS'
11 recommendations. In the event this transition occurs the City will compensate JTS in the amount of 20%
12 of medical plan savings based on the City's 2021 Fully-Insured Medical Plan costs (in lieu of a partially
13 self-insured plan structure), in an amount not to exceed Two Hundred Thousand Dollars (\$200,000.00).
14 Any additional plan costs the City incurs as a result of the integration of clinically integrated networks will
15 not be held against JTS when comparing the City's 2022 plan costs to the City's 2021 plan costs with regard
16 to plan savings calculation.

17 **Section 5.** In the event the City decides to remain fully insured, JTS will not receive any standard
18 commissions for medical plan consulting services. However, JTS will retain the ability to receive
19 commissions from Dental, Vision, Long-Term Disability, Life Insurance, Accidental Death and
20 Dismemberment Insurance and any other voluntary benefit insurance product.

21 **Section 6.** In the event the City extends this contract with JTS and the City maintains the partially Self-
22 Insured Medical Plan, the City may opt to compensate JTS based on a per participating employee per month
23 charge of Five Dollars (\$5.00), assuming medical plan consulting services only, in an amount not to exceed
24 Two Hundred Thousand Dollars (\$200,000.00).

25 **Section 7.** If the City decides that it wants JTS to provide a dedicated customer service platform for all
26 City employee benefits, the City will provide JTS additional compensation based on a per participating
27 employee per month charge of Four Dollars (\$4.00), in an amount not to exceed One Hundred Thousand
28 Dollars (\$100,000.00).

29 **Section 8.** The amount of the contract between the City and JTS shall not exceed Three Hundred Ninety
30 Five Thousand Dollars (\$395,000.00) for each year the parties enter into the contract.

31 **Section 9. Severability.** In the event any title, section, paragraph, item, sentence, clause, phrase, or
32 word of this resolution is declared or adjudged to be invalid or unconstitutional, such declaration or
33 adjudication shall not affect the remaining portions of the resolution which shall remain in full force and
34 effect as if the portion so declared or adjudged invalid or unconstitutional were not originally a part of the
35 resolution.

1 **Section 10. Repealer.** All laws, ordinances, resolutions, or parts of the same, that are inconsistent with
2 the provisions of this resolution, are hereby repealed to the extent of such inconsistency.

3 **ADOPTED: May 4, 2021**

4 **ATTEST:**

APPROVED:

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7 **Susan Langley, City Clerk**

_____ **Frank Scott, Jr., Mayor**

8 **APPROVED AS TO LEGAL FORM:**

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11 **Thomas M. Carpenter, City Attorney**

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