

RESOLUTION NO. _____

A RESOLUTION TO AUTHORIZE THE CITY MANAGER TO ENTER INTO A ONE (1)-YEAR EXTENSION OF THE CONTRACT WITH JTS FINANCIAL SERVICES, LLC, IN AN AMOUNT NOT TO EXCEED NINETY-FIVE THOUSAND DOLLARS (\$95,000.00), FOR EMPLOYMENT BENEFIT CONSULTATION SERVICES; AND FOR OTHER PURPOSES.

WHEREAS, by means of Resolution No. 15,449 (May 4, 2021), the City of Little Rock Board of Directors authorized the City Manager to enter into an agreement with JTS Financial Services, LLC, (“JTS”) to provide Consulting Services by reviewing the City’s Employee Benefit Plan options and making recommendations for employee benefit plans and associated items, *i.e.*, Data Analytics, Reconciliation Services, Web-Based Benefit Administration and Enrollment Services, and Affordable Care Act Reporting; JTS also provided the City the option to have JTS perform additional Administrative Services for it regarding for Consolidated Omnibus Budget Reconciliation Act of 1985 (“COBRA”) administration, Flexible Spending Account administration, and Dependent Care Plan administration and to provide a dedicated Customer Service Platform; and,

WHEREAS, the City entered into a one (1)-year contract with JTS from July 13, 2021, to July 12, 2022; and,

WHEREAS, Resolution No. 15,449 granted the City to extend this contract for six (6) additional one (1)-year terms; and,

WHEREAS, the City wishes to exercise its option to extend the contract for the first of six (6) additional one (1)-year terms to purchase services from JTS for Benefit Consultation, Data Analytics, Reconciliation Services, web-based Benefit Administration & Enrollment Services, ACA reporting, COBRA Administration, and FSA/DCP Administration; and,

WHEREAS, the amount of this first one (1)-year extension is not to exceed Ninety-Five Thousand Dollars (\$95,000.00); and,

WHEREAS, assuming the City of Little Rock transitions to a Partially Self-Insured Medical Plan in 2022/2023 as planned, JTS will only be compensated as a percentage of savings derived from Prescription rebates and reduction of administrative plan expenses; JTS will receive an incentive compensation of 20% of Medical Plan Savings based on the 2021 Fully-Insured Medical Plan costs versus a Partially Self-Insured Plan structure in 2022/2023, an amount not to exceed Two Hundred Thousand Dollars (\$200,000.00); and

WHEREAS, if the City of Little Rock determines that it would like JTS to provide a dedicated Customer Service Platform for all benefits, there will be an additional Four Dollars (\$4.00) per participating employee per month charge; and,

1 **WHEREAS**, JTS can receive commissions from Dental, Vision, Long-Term Disability, Life Insurance,
2 AD&D and any other voluntary benefit insurance product except medical plan vendor commissions; and,

3 **WHEREAS**, Professional Services of this nature are crucial to ensure that the City will be able to
4 provide its employees with adequate health care options while maintaining City budgetary requirements.

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

7 **Section 1.** The City Manager is hereby authorized to enter into the first of six (6) one (1)-year extensions
8 of its agreement with JTS Financial Services, LLC (“JTS”) to purchase services from JTS for Benefit
9 Consultation, Data Analytics, Reconciliation Services, Web-Based Benefit Administration & Enrollment
10 Services, ACA Reporting, COBRA Administration, and FSA/DCP Administration.

11 **Section 2.** If the City transitions to a partially self-insured medical plan in 2022/2023 as planned, JTS
12 will only be compensated as a percentage of savings derived from prescription rebates and the reduction of
13 administrative plan expenses; JTS will receive incentive compensation of twenty per cent (20%) of medical
14 plan savings based on the 2021 fully insured medical plan costs versus a partially self-insured plan structure
15 in 2022/2023, an amount not to exceed Two Hundred Thousand and 00/100 Dollars (\$200,000.00)

16 **Section 3.** The amount of the first one (1)-year extension of the contract with JTS is not to exceed
17 Ninety-Five Thousand Dollars (\$95,000.00) to purchase services from JTS for Benefit Consultation, Data
18 Analytics, Reconciliation Services, Web-Based Benefit Administration & Enrollment Services, ACA
19 Reporting, COBRA Administration, and FSA/DCP Administration.

20 **Section 4. Severability.** In the event any title, section, paragraph, item, sentence, clause, phrase, or
21 word of this resolution is declared or adjudged to be invalid or unconstitutional, such declaration or
22 adjudication shall not affect the remaining portions of the resolution which shall remain in full force and
23 effect as if the portion so declared or adjudged invalid or unconstitutional were not originally a part of the
24 resolution.

25 **Section 5. Repealer.** All laws, ordinances, resolutions, or parts of the same, that are inconsistent with
26 the provisions of this resolution, are hereby repealed to the extent of such inconsistency.

27 **ADOPTED: June 7, 2022**

28 **ATTEST:**

APPROVED:

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31 **Susan Langley, City Clerk**

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

32 **APPROVED AS TO LEGAL FORM:**

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