



ST. CHARLES
SINCE 1834

AGENDA ITEM EXECUTIVE SUMMARY

Title: Recommendation to approve a Resolution Authorizing the Director of Human Resources to Execute A Letter of Agreement between the City of St. Charles and Laurus Strategies

Presenter: Lynn Creedon

Please check appropriate box:

X	Government Operations – 5/20/13		Government Services
	Planning & Development		City Council – 6/3/13
	Public Hearing		

Estimated Cost: \$40,000 Budgeted: YES X NO

If NO, please explain how item will be funded:

Executive Summary:

Attached is a letter of agreement with Laurus Strategies, dated May 8, 2013, to provide benefit strategy, design, pricing, procurement, and ongoing management of the City’s health plans in the amount of \$40,000 for the period May 1, 2013, through April 30, 2014. The fee has not increased since 2008. The next RFP/review process for insurance administration services is scheduled for fall 2013.

Attachments: *(please list)*

Letter of Agreement with Laurus Strategies dated May 8, 2013.
Proposed resolution authorizing execution of same.

Recommendation / Suggested Action *(briefly explain):*

Recommendation to approve a Resolution Authorizing the Director of Human Resources to Execute A Letter of Agreement between the City of St. Charles and Laurus Strategies.

For office use only: Agenda Item Number: 5b

Laurus Strategies
55 West Monroe
Suite 500
Chicago, IL 60603
Tel: (312) 431-0450



People. Capital. Risk.

May 8, 2013

Ms. Kathy Livernois
The City of St. Charles
2 East Main Street
St. Charles, IL 60174-1984

Re: Letter of Agreement

Dear Kathy:

This letter serves to provide a written understanding of the services Laurus Strategies, Inc. will provide to The City of St. Charles and the fee arrangement for those services. Laurus will assist The City with overall benefit strategy, design, pricing and the procurement and ongoing management of the Health and Welfare plans.

The final fee structure as agreed to is as follows:

Fees:

- ◆ May 1, 2013 through April 30, 2014 - \$40,000

Assumptions:

- Centralization of decision making for benefit strategy and implementation
- Quarterly centralized service meetings
- 275 estimated employees
- Services commence May 1, 2013
- Fees assume a one year commitment
- Payments due upon receipt of monthly invoices

Laurus Strategies may also receive commissions from various vendors with City of St. Charles; in addition we acknowledge that your company may maintain and accept a contingent or bonus compensation program with vendors. These compensation programs may be based upon variable factors, such as the volume or profile of insurance business placed, and the persistency (retention) of insurance business in which Laurus Strategies may participate.

If there is a change in the scope of the activities agreed upon, Laurus Strategies reserves the right to modify its fees based on Laurus Strategies hourly billing rates at the time of the change.

This agreement will remain in effect for one year and renews automatically unless either party to this agreement provides 90 day written notice of change in the terms of this agreement.

Sincerely,

Kevin Klotz
Principal

Accepted by City of St. Charles:

By: _____

Title: _____

Date: _____

**City of St. Charles, Illinois
Resolution No. _____**

**A Resolution Authorizing the Director of Human Resources
to Execute A Letter of Agreement between the
City of St. Charles and Laurus Strategies**

**Presented & Passed by the
City Council on _____**

WHEREAS, the Human Resources Department conducted a formal and comprehensive proposal and review process in 2011 for benefit administration; and

WHEREAS, this formal review and proposal process determined that Laurus Strategies provided the best service at the best cost for administration of City employee benefits; and

WHEREAS, the last Letter of Agreement with Laurus Strategies dated April 12, 2011, to provide benefit strategy, design, pricing, procurement, and ongoing management of the City's health plans for two years at \$40,000 for each fiscal year expired on April 30, 2013; and

WHEREAS, Laurus Strategies has provided a Letter of Agreement dated May 8, 2013, to provide benefit strategy, design, pricing, procurement, and ongoing management of the City's health plans for the fiscal year May 1, 2013, through April 30, 2014, in the amount of \$40,000; and

WHEREAS, the current proposed Letter of Agreement represents no fee increase since 2008; and

WHEREAS, the next formal review and proposal process is scheduled for fall 2013.

NOW THEREFORE, be it resolved by the Mayor and City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, that the attached Letter of Agreement between the City of St. Charles and Laurus Strategies, dated May 8, 2013, to provide benefit administration of the City's health plans for fiscal year 2013/14 is hereby approved and the Director of Human Resources is authorized to sign same.

PRESENTED to the City Council of the City of St. Charles, Illinois, this _____ day of _____ 2013.

PASSED by the City Council of the City of St. Charles, Illinois, this _____ day of _____ 2013.

Resolution No. _____

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APPROVED by the Mayor of the City of St. Charles, Illinois, this _____ day of
_____ 2013.

Raymond P. Rogina, Mayor

ATTEST:

City Clerk

COUNCIL VOTE:

Ayes:

Nays:

Absent:

Abstain: