



**ST. CHARLES**  
SINCE 1834

### AGENDA ITEM EXECUTIVE SUMMARY

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

**Presenter:** Kathy Livernois – HR Director

*Please check appropriate box:*

<input checked="" type="checkbox"/>	Government Operations – 5/19/2014		Government Services
<input type="checkbox"/>	Planning & Development		City Council – 6/2/2014
<input type="checkbox"/>	Public Hearing		

Estimated Cost:	\$40,000	Budgeted:	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
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If NO, please explain how item will be funded:

**Executive Summary:**

Attached is a letter of agreement with Laurus Strategies, dated April 25, 2014, 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, 2014, through April 30, 2015. The fee has not increased since 2008. The next RFP/review process for insurance administration services is scheduled for this fall, to be determined by May 1, 2015.

**Attachments:** *(please list)*

Letter of Agreement with Laurus Strategies dated April 25, 2014.  
Proposed resolution authorizing execution of same.

**Recommendation / Suggested Action** *(briefly explain):*

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: 4a

**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 April 25, 2014, to provide benefit strategy, design, pricing, procurement, and ongoing management of the City's health plans for the fiscal year May 1, 2014, through April 30, 2015, 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 2015.

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 April 25, 2014, to provide benefit administration of the City's health plans for fiscal year 2014/15 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 \_\_\_\_\_ 2014.

PASSED by the City Council of the City of St. Charles, Illinois, this \_\_\_\_\_ day of \_\_\_\_\_ 2014.

Resolution No. \_\_\_\_\_

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APPROVED by the Mayor of the City of St. Charles, Illinois, this \_\_\_\_\_ day of  
\_\_\_\_\_ 2014.

\_\_\_\_\_  
Raymond P. Rogina, Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

COUNCIL VOTE:

Ayes:

Nays:

Absent:

Abstain:

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

MAY -2 2014



People. Capital. Risk.

April 25, 2014

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 is agreed to as follows:

**Fees:**

- ◆ May 1, 2014 through April 30, 2015 - \$40,000

**Assumptions:**

- Centralization of decision making for benefit strategy and implementation
- Quarterly centralized service meetings
- Open enrollment communication materials are available using Laurus Strategies standardized 8 page guide and supporting materials
- 275 estimated employees
- Services commence May 1, 2014
- 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: Kathryn Guernon

Title: Director HR

Date: 5/1/14