



ST. CHARLES
SINCE 1834

AGENDA ITEM EXECUTIVE SUMMARY

Title:	Recommendation to Approve a Resolution Authorizing the Acting Director of Human Resources to Execute a Letter of Agreement between the City of St. Charles and Laurus Strategies
Presenter:	Denice Brogan

Please check appropriate box:

X	Government Operations (6/1/15)		Government Services
	Planning & Development		City Council
	Public Hearing		

Estimated Cost:	\$40,000	Budgeted:	YES	X	NO	
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If NO, please explain how item will be funded:

Executive Summary:

As you may recall, this past fall we initiated an RFP process for our health insurance consultant. Ten vendors submitted proposals, and out of those, six were interviewed by a team of City staff from the finance and human resources departments. After much discussion and evaluation of the proposals, Laurus Strategies was selected as the City's health insurance consultant.

Attached is a letter of agreement with Laurus Strategies, dated February 18, 2015, 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, 2015, through April 30, 2016. The fee has not increased since 2008; however, this letter of agreement sets out incremental increases of \$2,000 for each fiscal year 2016/17 and 2017/18. I will be presenting an update of the City's costs and benefits under Laurus.

Attachments: *(please list)*

Letter of Agreement with Laurus Strategies dated February 18, 2015.
Proposed resolution authorizing execution of same.

Recommendation / Suggested Action *(briefly explain):*

Recommendation to approve a Resolution Authorizing the Acting 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: 8a

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



People. Capital. Risk.

February 18, 2015

Ms. Kathy Lamkin
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, a Division of HUB International Midwest Limited, will provide to 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, 2015 through April 30, 2016 - \$40,000 annual; monthly payment of \$3,333
- ◆ May 1, 2016 through April 30, 2017 - \$42,000 annual; monthly payment of \$3,500
- ◆ May 1, 2017 through April 30, 2018 - \$44,000 annual; monthly payment of \$3,667

Assumptions:

- Centralization of decision making for benefit strategy and implementation
- Quarterly centralized service meetings
- Open enrollment communication materials are available using Laurus Strategies' Communications and Design team along with supporting materials
- 275 estimated employees
- Services commence May 1, 2015
- Fees assume a three year commitment
- Payments due upon receipt of monthly invoices

Laurus Strategies, a Division of HUB International Midwest Limited 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

City of St. Charles, Illinois
Resolution No. _____

**A Resolution Authorizing the Acting 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 just conducted a formal and comprehensive proposal and review process this year 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 25, 2014, to provide benefit strategy, design, pricing, procurement, and ongoing management of the City's health plans at \$40,000 expired on April 30, 2014; and

WHEREAS, Laurus Strategies has provided a Letter of Agreement dated February 18, 2015, to provide benefit strategy, design, pricing, procurement, and ongoing management of the City's health plans for the fiscal year May 1, 2015, through April 30, 2016, in the amount of \$40,000; fiscal year May 1, 2016, through April 30, 2017, in the amount of \$42,000; and fiscal year May 1, 2017, through April 30, 2018, in the amount of \$44,000; and

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 February 18, 2015, to provide benefit administration of the City's health plans for fiscal year 2015/16, 2016/17, and 2017/18 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 _____ 2015.

PASSED by the City Council of the City of St. Charles, Illinois, this _____ day of _____ 2015.

APPROVED by the Mayor of the City of St. Charles, Illinois, this _____ day of _____ 2015.

Resolution No. _____

Page 2

Raymond P. Rogina, Mayor

ATTEST:

City Clerk

COUNCIL VOTE:

Ayes:

Nays:

Absent:

Abstain: