



Amend Fiscal Year 2021-22 Adopted Budget to Appropriate Funds to Establish a Revenue and Expenditure Account

City Council Meeting
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Director of Human Resources

BACKGROUND

- On January 1, 2022, the City will have a new benefits administrator, Benefit Coordinators Corporation (BCC) who will oversee the reimbursement and adjudication of Flexible Spending Account (FSA) claims
- The vendor change requires a change in FSA funding procedures, establishment of a new City revenue and expenditure account, and changes to the City budget

ANALYSIS

- There must be a budget appropriation in the newly created account from which the claims will be paid, and an equal amount of revenue recognized from payroll deductions
- Staff estimates payments for the remainder of the year to be approximately \$77,000 with an annual budget established for the FY 2022-23 budget and subsequent budgets
- There is no impact to the General Fund because the budgeted expenditure is offset by revenue from payroll deductions

RECOMMENDATION

It is recommended by the Human Resources Department that the Council, by resolution, amend the Fiscal Year 2021-22 adopted budget to appropriate \$77,000 from General Fund reserves to establish an account from which to pay FSA claims.

QUESTIONS?