



Office of the City Manager

CONSENT CALENDAR
July 11, 2023

To: Honorable Mayor and Members of the City Council
 From: Dee Williams-Ridley, City Manager
 Submitted by: Aram Kouyoumdjian, Director of Human Resources
 Subject: Contract No. 32000226 Amendment: MidAmerica Administrative & Retirement Solutions, Third Party Administrator for SRIP I Disability, and Health Reimbursement Accounts for Retiree Health Premium Assistance Plan Reimbursements, and Police Employees Retiree Income Plan

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to execute a contract amendment to Contract No. 32000226 with MidAmerica Administrative & Retirement Solutions for administration of the SRIP I Disability, Retiree Health Premium Assistance Plan (RHPAP) Health Reimbursement Account (HRA), and Police Employees Retiree Income Plans (PERIP) for the period covering January 1, 2021 through December 31, 2025, for a total cost not to exceed \$233,736.00.

FISCAL IMPACTS OF RECOMMENDATION

The total estimated cost for this contract is \$233,736.00.
 MidAmerica will administer the Plans at the following rates:

Plan Administration

401a Administration	\$10.00 PEPM
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Partial funding is available for this contract in allocations from the following budget codes:

Budget Code	Retiree Medical Programs	Costs
731-99-900-900-0000-000-412-612990-	Berkeley Police Association	\$22,200.00
736-99-900-900-0000-000-412-612990-	Berkeley Fire Fighters Association	\$4,800.00
722-99-900-900-0000-000-412-612990-	International Brotherhood of Electrical Workers	\$1,680.00
723-99-900-900-0000-000-412-612990-	Public Employees Union, Local One	\$4,560.00
724-99-900-900-0000-000-412-612990-	Unrepresented Unit Z1-Department Head	\$3,120.00

Budget Code	Retiree Medical Programs	Costs
725-99-900-900-0000-000-412-612990-	Unrepresented Unit Z2	\$4,080.00
726-99-900-900-0000-000-412-612990-	Service Employees International Union, Local 1021 Community Services Unit/Part-Time Recreation Leaders Association	\$4,200.00
727-99-900-900-0000-000-412-612990-	Service Employees International Union, Local 1021 Maintenance and Clerical Chapter	\$8,040.00
Total		\$52,680.00

CURRENT SITUATION AND ITS EFFECTS

The City has contractual obligations under various Memoranda of Understanding/Agreements with non-sworn employees and sworn Fire and Police Associations that specify the amount the City contributes towards post-employment retiree medical benefits.

BACKGROUND

Third Party Administrator, Mid-America, has been administering the City’s Supplemental Retirement Income Plan – SRIP I Disability – since January 1, 2015.

In 2017, the City amended the contract with MidAmerica to include reimbursement of Retiree Health Premium Assistance Plan (RHPAP) benefits to Unrepresented and Local 1227 employees.

In 2021, the City broadened the definition of “Eligible Employee” from BFFA and Unrepresented to allow the City to provide RHPAP benefit payments to any classification of Retiree. This streamlined the RHPAP reimbursement process and allowed the City to utilize the MidAmerica Health Reimbursement Account for RHPAP benefit payments to all current and future retirees.

ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental effects or opportunities associated with the subject of this report.

RATIONALE FOR RECOMMENDATION

The Retiree Health Premium Assistance Plan and sworn retiree benefits are employee benefits required under various collective bargaining agreements with the City. Contracting with the Third-Party Administrator, MidAmerica, is the most efficient and cost-effective way to administer these benefits.

ALTERNATIVE ACTIONS CONSIDERED

The City sent out a request for proposals through its benefits broker, Keenan and Associates, and no companies are familiar enough with the unique benefits of the City RHPAP to handle it better than the current administrator. Accordingly, the best option would be to amend the contract with MidAmerica.

CONTACT PERSON

Aram Kouyoumdjian, Director of Human Resources, (510) 981-6807.

Attachments:

1. Resolution

RESOLUTION NO. XX,XXX-N.S.

CONTRACT NO. 32000226 AMENDMENT: MIDAMERICA FOR ADMINISTRATION OF THE RETIREE HEALTH PREMIUM ASSISTANCE PLAN AND OTHER RETIREE MEDICAL PROGRAMS

WHEREAS, the City of Berkeley has contractual obligations under various agreements with its employee groups to provide post-employment retiree medical services; and

WHEREAS, contracting with a third-party administrator is the most efficient and cost-effective way to administer these benefits; and

WHEREAS, MidAmerica Administrative & Retirement Solutions has been administering a number of these benefits for the past several years; and

WHEREAS, the City of Berkeley would like MidAmerica to provide administrative services for SRIP I Disability, RHPAP Health Reimbursement Account (HRA), and Police Employees Retiree Income Plans (PERIP); and

WHEREAS, funds are available and will be budgeted in future years in an amount not to exceed \$233,736.00 through December 31, 2025.

NOW THEREFORE, BE IT RESOLVED that the Council authorizes the City Manager to execute an amendment to Contract No. 32000226 with MidAmerica for administration of SRIP I Disability, RHPAP Health Reimbursement Account (HRA), and Police Employees Retiree Income Plans (PERIP) for sworn Fire and Police not to exceed \$233,736.00, for the period covering January 1, 2021 through December 31, 2025.

BE IT FURTHER RESOLVED that a record signature copy of said contract and any amendments be on file in the Office of the City Clerk.