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**CITY OF TEMPE**  
**REQUEST FOR COUNCIL ACTION**

**Council Meeting Date: 12/08/2016**  
**Agenda Item: 5A3**

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**ACTION:** Approve the transfer of up to \$253,000 from the General Fund Contingency budget to pay for expenses related to changes in the Mediflex benefit program.

**FISCAL IMPACT:** Appropriations up to \$253,000 will be transferred from General Fund cost center 3580 (General Fund Contingency) to General Fund cost center 1911 (Human Resources) to cover costs associated with changes in the Mediflex benefit program.

**RECOMMENDATION:** Approve the transfer of contingency budget.

**BACKGROUND INFORMATION:** In order to comply with provisions of the Affordable Care Act (ACA), various changes are being made to the City's Mediflex benefit program. Currently, employees who have retired with 10 or more years of service are able to utilize their remaining Mediflex balance to be reimbursed for qualified medical expenses. Effective January 1, 2017, the City will no longer maintain Mediflex accounts for employees upon retirement. Current retirees with remaining balances in their Mediflex accounts will have those monies transferred to their HRA accounts and they will be able to continue to access those funds for eligible reimbursements. The remaining Mediflex balances for General Fund retirees are estimated to be \$253,000.

**ATTACHMENTS:** N/A

**STAFF CONTACT(S):** Jon O'Connor, Deputy Internal Services Director - Human Resources, (480) 350-8423

Department Director: Renie Broderick, Internal Services Director

Legal review by: David Park, Assistant City Attorney

Prepared by: Jon O'Connor, Deputy Internal Services Director - Human Resources