

**CITY OF STANWOOD
Stanwood, Washington**

RESOLUTION 2015-28

**A RESOLUTION OF THE CITY OF STANWOOD, WASHINGTON
ADOPTING A VOLUNTARY FLEXIBLE SPENDING ACCOUNT PLAN
FOR CITY EMPLOYEES, AS SPONSORED BY ASSOCIATION OF
WASHINGTON CITIES AND ADMINISTERED BY NAVIA BENEFIT
SOLUTIONS, EFFECTIVE JANUARY 1, 2016, AND FURTHER,
AUTHORIZE MAYOR OR DESIGNEE TO EXECUTE ALL NECESSARY
PLAN DOCUMENTS**

WHEREAS, on December 13, 2012 the City Council adopted Resolution 2012-14 establishing a "cafeteria plan" benefits program sponsored by Association of Washington Cities (AWC) and administered by Discovery Benefits to serve the interest of the City by enabling it to treat all employees equally, regardless of family size and insurance needs, and by assisting in the attraction and retention of competent personnel; and

WHEREAS, the Association of Washington Cities has announced that it will continue to sponsor a cafeteria plan for its member cities, but that effective January 1, 2016 it will switch providers, from Discovery Benefits to Navia Benefit Solutions; and

WHEREAS, the City wants to continue to take advantage of the tax-free benefits permitted by the Internal Revenue Code by allowing employees to voluntarily participate in a health flexible spending account (Health FSA) and a dependent care assistance program (DCAP); and

WHEREAS, the City of Stanwood wishes to adopt an AWC-sponsored plan that complies with § 125 of the Internal Revenue Code, to enable its employees to elect to pay for their share of the cost of group insurance and for the entire amount of contributions for Health FSA and DCAP benefits on a pre-tax, salary-reduction basis; and

WHEREAS, the City Council finds it in the best interest of the City to adopt a new voluntary Flexible Benefits Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STANWOOD, WASHINGTON, AS FOLLOWS:

Section 1. The Stanwood City Council hereby authorizes participation in a voluntary "Flexible Benefits Plan" (consisting of the Flexible Benefits Plan document, and component benefit plans and policies), sponsored by the Association of Washington Cities and administered by Navia Benefit Solutions, effective January 1, 2016.

Section 2. The operation of the group insurance plan will continue and all employee contributions thereunder will be made pursuant to elections under the Flexible Spending

Account Plan document.

Section 3. The City Council hereby delegates to the Finance Director, in coordination with the Plan Administrator, the authority to make any future changes and amendments to the Flexible Spending Account plan document and to create any rules and/or regulations necessary to administer the Plan and to comply with applicable laws, rules and regulations.

Section 4. Ratification. Any act consistent with the authority granted herein and taken prior to the effective date of this Resolution is hereby ratified and affirmed.

Section 5. Repeal, Modification or Extension. Subject to compliance with the Plan documents, the City Council may repeal, terminate, modify or extend the City's participation in the Plan at any time in its sole discretion.

Section 6. Severability. The provisions of this Resolution are declared separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this Resolution or the invalidity of the application thereof to any person or circumstance, shall not affect the validity of the remainder of the Resolution, or the validity of its application to other persons or circumstances.

Section 7. Effective Date. This Resolution shall become effective immediately upon adoption and signature as provided by law. Participation in the Plan will become effective January 1, 2016.

Section 8. The Council authorizes the Mayor or designee to sign all necessary documents to establish the new Flexible Spending Account Plan.

ADOPTED by the City Council and **APPROVED** by the Mayor this 23rd day of November, 2015.

CITY OF STANWOOD

By  Leonard Kelley, Mayor

ATTEST:

By  Greg Thramer, City Clerk