



**AGENDA ITEM REQUEST FORM
CITY OF JOHNSON CITY, TEXAS
CITY COUNCIL**

ITEM NO. 8

MEETING DATE: May 3, 2022

AGENDA PLACEMENT:

- Ceremonial
- Consent
- Individual
- Closed Session

CAPTION:

Approval of a Section 125 Premium Only Plan (POP) Document, commonly referred to as a "Cafeteria Plan", and Summary Plan Description for the City of Johnson City; and authorizing Mayor Rhonda Stell to execute said Document on behalf of the City Council of the City of Johnson City, Texas. (Staff)

STRATEGIC WORK PLAN:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Not Applicable | <input type="checkbox"/> Goal 5: Improve Fire Safety |
| <input type="checkbox"/> Goal 1: Increase Housing Diversity | <input type="checkbox"/> Goal 6: Improve Streets |
| <input type="checkbox"/> Goal 2: Expand Quality Lodging | <input type="checkbox"/> Goal 7: Increase Publicity & Promotion of the Community |
| <input type="checkbox"/> Goal 3: Improve Code Enforcement | <input type="checkbox"/> Goal 8: Increase Economic Development Activities |
| <input type="checkbox"/> Goal 4: Improve Streetscaping & Signage | |

EXECUTIVE SUMMARY:

The City's Insurance Broker, Crandall & Associates Insurance, produced the attached Section 125 Premium Only Plan (POP) Document and Summary Plan Description for the City of Johnson City. The POP Plan establishes a Cafeteria Plan for the City whereby the City can pre-tax deduct employee paid insurance benefits from an employee's salary prior to taxation, thereby producing a tax savings for the employee.

Under this Plan, employees are automatically enrolled; however, an employee can opt-out of the Cafeteria Plan should they choose to do so.

FINANCIAL: N/a

ATTACHMENTS:

- *Understanding Section 125 Cafeteria Plans*; and
- POP Plan and Summary Plan Description.

SUGGESTED ACTION:

Motion to approve a Section 125 Premium Only Plan (POP) Document, commonly referred to as a “Cafeteria Plan”, and Summary Plan Description for the City of Johnson City; and authorizing Mayor Rhonda Stell to execute said Document on behalf of the City Council of the City of Johnson City, Texas.

PREPARED BY: City Staff