

Proposed: 02/22/2022

RESOLUTION NO. 21-2022 (F), *First Reading*

By Mayor Seren

A Resolution establishing the Flexible Spending Account Fund and affirming that funds received by the City as a payroll deduction from employees shall be used only to cover costs incurred by the City of Cleveland Heights consistent with Internal Revenue Code §125 and applicable law and regulations; and declaring an emergency.

WHEREAS, the City provides medical and dependent care flexible spending accounts as a benefit to employees; and

WHEREAS, employees participate in these benefits via a pre-tax payroll deduction in accordance with Internal Revenue Code §125; and

WHEREAS, these funds may only be used for qualifying medical and dependent care expenses as determined by the Internal Revenue Code §125; and

WHEREAS, Ohio Revised Code §5705.09 requires political subdivisions to establish separate funds for each class of revenue derived from a source other than the general property tax, which the law requires to be used for a particular purpose; and

WHEREAS, Ohio Revised Code §5705.12 further requires the taxing authority of a political subdivision to establish, with the approval of the Auditor of State, such other funds as desired, to deposit money derived from a source other than general property tax to be paid in to a separate fund.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Cleveland Heights, Ohio, that:

SECTION 1. This Council hereby establishes a Flexible Spending Account Fund. The purposes of such fund shall be to account for revenues and expenditures related to the funds received by the City through payroll deductions from employees for medical and dependent care flexible spending accounts.

SECTION 2. This Council affirms that all funds received and deposited into said Flexible Spending Account Fund will be expended consistent with the requirements of the Internal Revenue Code §125 and any other applicable law, regulations, and guidance.

SECTION 3. Notice of the passage of this Resolution shall be given by publishing the title and abstract of contents, prepared by the Director of Law, once in one newspaper of general circulation in the City of Cleveland Heights.

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SECTION 4. This Resolution is hereby declared to be an emergency measure immediately necessary for the preservation of the public peace, health and safety of the inhabitants of the City of Cleveland Heights, such emergency being the need to create the new Flexible Spending Account Fund at the earliest time possible so that the City may accept and account for the monies it receives. Wherefore, provided it receives the affirmative vote of five (5) or more of the members elected or appointed to this Council, this Resolution shall take effect and be in force immediately upon its passage; otherwise, it shall take effect and be in force from and after the earliest time allowed by law.

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MELODY JOY HART  
President of Council

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AMY HIMMELEIN  
Clerk of Council

PASSED:

Presented to Mayor: \_\_\_\_\_

Approved: \_\_\_\_\_

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KAHLIL SEREN  
Mayor