

**CITY OF ELLensburg
RESOLUTION NO. 2024-32**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELLensburg,
WASHINGTON providing special VEBA contributions for 2025.**

WHEREAS, the City has seen a sizeable increase in medical and pharmacy claims which have caused double-digit premium rate increases for several years; and

WHEREAS, as we near the end of the 2023-2024 biennial budget and prepare for 2025-2026, it has become apparent that it is becoming less economically feasible for the City to maintain a self-funded health and benefits plan, especially when the rates are more volatile; and

WHEREAS, the City has researched options and determined that joining the AWC Employee Benefits Trust will provide rate stability over time, and even presents a slight premium decrease for 2025 from our current 2024 rates; and

WHEREAS, while the City selected plans that are the most comparable to the current plan designs, they include an increase in the individual out-of-pocket maximum from \$2,000 to \$3,000 and an increase in all prescription drug tier copayments; and

WHEREAS, after analyzing the data it appears the increase in out-of-pocket maximum and prescription drug copays will not result in a significant impact to the majority of employees and their families; and

WHEREAS, the City has established HRA VEBA plans for most benefit-eligible employees; and

WHEREAS, the City has been working with representatives from AWC and the City's current broker, Alliant, to ensure all paperwork and documentation is completed in order to proceed with joining the AWC Employee Benefits Trust, as well as transitioning our Flexible Spending Account program to an AWC partner, and securing coverage for our LEOFF 1 Retirees through AmWins/Humana;

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Ellensburg, Washington, as follows:

Section 1. The "Whereas" provisions set forth above are hereby incorporated in this Resolution as findings in support of the actions authorized in this Resolution.

Section 2. The City Manager is authorized to execute all contracts, interlocal agreements or other documents necessary to terminate the City's self-funded plan and implement the new health insurance plans with the AWC, Navia, and AmWins/Humana. All actions taken before the effective date of this Resolution by the

City Manager and Human Resources Director, or their designees, that are consistent with the terms of this Resolution, are hereby ratified and confirmed.

Section 3. To help absorb any increase in out-of-pocket costs the employees may pay as a result of the transition in health plans, the City will contribute an additional \$50 per month (\$25 per paycheck) to each HRA VEBA account for its benefit-eligible Non-Represented employees for 2025 only.

Section 4. To help absorb any increase in out-of-pocket costs the employees may pay as a result of the transition in health plans, and absent a Memorandum of Understanding, the City will begin contributions to an HRA VEBA account for each benefit-eligible employee covered by the OPEIU, Local 8 Collective Bargaining Agreement and will continue contributions for 2025 only.

Section 5. The City is currently engaged in negotiations with IBEW Local 77 as the current contract expires December 31, 2024, and the impact of the change in health plans will be discussed.

ADOPTED by the City Council of the City of Ellensburg this 2nd day of December, 2024.



Mayor

ATTEST:



City Clerk