

**CITY OF ELLENSBURG
RESOLUTION NO. 2024-34**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELLENSBURG, WASHINGTON authorizing the City of Ellensburg to enter into an Interlocal Agreement with the Association of Washington Cities Benefits Trust to create a Health Care Program for City employees and dependents.

WHEREAS, the Association of Washington Cities Employee Benefit Trust (the "Trust") is an entity to which contributions by cities and towns and non-city entities organized and existing under the Constitution or laws of the State of Washington and who are members of the Trust ("Participating Cities and Towns," and "Participating Non-City Entities") and their employees can be paid and through which the Board of Trustees of the Trust ("Trustees") provides one or more insured health and welfare benefit plans or programs to Participating Cities and Towns' and Non-City Entities' employees, their dependents and other beneficiaries ("Beneficiaries"), on whose behalf the contributions were paid; and

WHEREAS, the Trust qualifies as a voluntary employee beneficiary association within the meaning of Section 501(c)(9) of the Internal Revenue Code, providing for the payment of life, sick, accident or other benefits to Beneficiaries; and

WHEREAS, the Trust and Participating Cities and Towns and Non-City Entities have determined that it is in the best interest of Participating Cities and Towns and Non-City Entities to jointly self-insure certain health benefit plans and programs for Beneficiaries through a designated account within the Trust, while at the same time having the Trust continue as the entity to which other insured health and welfare benefit program contributions are paid and through which insured health and welfare benefit plans and programs are provided to Beneficiaries; and

WHEREAS, it appears economically feasible and practical for the parties to do so; and

WHEREAS, Chapter 48.62 RCW provides that two or more local government entities may, by Interlocal Agreement under chapter 39.34 RCW, jointly self-insure health benefit plans and programs, and/or jointly hire risk management services for such plans or programs by any one or more of certain specified methods; and

WHEREAS, the Association of Washington Cities Employee Benefit Trust Interlocal Agreement (the "Interlocal Agreement") attached hereto creates a joint self-insured health and welfare benefit program (the "Health Care Program") to be administered by the Trustees for the purposes of providing self-insured health benefits to Beneficiaries; and

WHEREAS, WAC 200-110-030 requires every local government entity participating in a joint self-insurance health and welfare benefit program to adopt such program by resolution; and

WHEREAS, Chapter 48.62 requires Health Care Program assets to be managed consistent with existing authority overuse of municipal funds in RCW 35.39.030, and the Trust will manage Health Care Program reserves in compliance with Chapter 48.62 RCW, RCW 35.39.030, and the Health Care Program Investment Policy; and

WHEREAS, all premium contributions for use in the Health Care Program are deposited into a designated account within the Trust, the Health Care Program Account (the "HCP Account"), and the HCP Account represents a pool of funds that is independent of all other Trust or AWC funds; and

WHEREAS, the Trust intends to manage the HCP Account assets in compliance with federal and state laws and the Interlocal Agreement; and

WHEREAS, the City of Ellensburg believes it is in the best interest of the Health Care Program to allow the Trust to manage the HCP Account; and

WHEREAS, City Council adopted Resolution 2009-38 to establish and administer a Health and Benefits Fund, and Resolution 2016-08 confirming the establishment of the Self-Insured Health and Benefits Program and adopting policies for program management, which will be replaced by the AWC Employee Benefit Trust;

NOW THEREFORE 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 Interlocal Agreement creating the Health Care Program, attached hereto as Exhibit A, is hereby adopted.

Section 3. By adopting such Agreement, the City of Ellensburg acknowledges that it shall be subject to assessments as required by the Health Care Program.

Section 4. Once all claims for 2024 have been processed and the City has satisfied the reporting requirements of the Washington State Office of Risk Management for the Self-Funded Health and Benefits Program, staff will bring forward a Resolution to rescind Resolutions 2009-38 and 2016-08.

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



Mayor

ATTEST:



City Clerk