

City of Spirit Lake
Special Council Meeting
City Hall
6042 Maine St.
Spirit Lake, Idaho 83869
December 28, 2018
8:00 AM

Mayor Eastman called the Special Council meeting to order at 8:00 a.m.; roll call was taken with Councilors Gary Ventress, Becki Gaddum, Joy Porter, and Angel Vanderwilt present.

Mayor Eastman discussed the Health Reimbursement Account (HRA) and the need to change the amount and the agreement. Information was shared that years ago the City opted to give employees \$2000 per year in the HRA account due to the increase of the medical deductible from \$2500 to \$6500 per year. The plan was to include; employees who worked less than five (5) years and terminated employment with the City, would forfeit the HRA account. Employees who worked five years or longer (vested), were able to use the funds upon termination, for ten (10) years, and would forfeit any unused funds after the 10 years. The City did not follow through on updating the HRA agreement with Benefits Exchange and there is confusion on whether previous employees who were employed less than five years, were able to continue using the HRA funds after termination.

The new Resolution would change the amount from \$2000 per employee to \$500 per employee. The Mayor stated the reduction is cost effective to the City and the change is not an impact due to the fact the deductible is now \$3000. With the \$500 HRA the out of pocket expense would be \$2500, which is the same amount as before the HRA was put into place.

The Mayor shared that per the City Attorney, Susan Weeks, most cities no longer have an HRA program.


Section 4 of the Resolution was discussed. The maximum City contribution will remain \$10,000, but upon separation an employee will have 30 days to use the funds in the account or forfeit.

The Mayor shared that in the past City paid 75% of an employee's benefits and 25% of dependents. When the City implemented the HRA program, changes were made to pay 75% of the employees and dependents medical benefits. The Mayor noted that the City may discontinue the HRA program after next year.

The City Clerk, Michelle Wharton, shared that currently there are five terminated employees, who have approximately \$18,000 in the HRA account.

Motion to approve Resolution 18-28-12 by Councilor Vanderwilt, second by Councilor Ventress, followed by a roll call with Councilors Ventress, Gaddum, Vanderwilt, and Porter all voting aye. Resolution approved.

Meeting adjourned at 8:20 a.m.


Renee Eastman, Mayor

Attest:


Michelle Wharton, City Clerk