

No: 24-
Date: October 16, 2024

RESOLUTION
OF THE CITY COUNCIL
CITY OF SANDPOINT

TITLE: UTILIZING MEDICAL PREMIUM STABILIZATION RESERVE FUNDS

WHEREAS: On September 20, 2022, under Resolution 22-057, in order to establish a medical reserve and guide the budgetary use of these resources allowing the use of set-aside funds to offset medical premium increases for Sandpoint tax and rate payers and employees paying a share of the premium cost in accordance with City policy, City Council adopted the Medical Premium Stabilization Reserve Policy, which is reflected as Section D under Reserve and Fund Balance Policies in the City of Sandpoint Financial Policies and Guidelines;

WHEREAS: Under the Medical Premium Stabilization Reserve Policy, the City sets aside and reserves medical premium rebates for use in offsetting future annual medical premium increases exceeding 10% over the prior year for both the City and plan participants;

WHEREAS: In some years, the City is eligible for an annual medical premium rebate, with eligibility and amounts calculated yearly, based on the difference between medical premiums paid by the City and employees and expenses paid by the insurance carrier, and when premiums paid exceed expenses incurred by the plan, the difference is shared between the insurance carrier and the City, with the City receiving a rebate;

WHEREAS: In other years, usage of insurance benefits is higher, which can result in a premium increase at the time of contract negotiation for the ensuing benefit year, as is the case for 2024 usage and the upcoming 2025 contract renewal for medical insurance benefits, where the medical insurance carrier with which the City has historically contracted, Regence Blue Shield, has raised the City's premium costs by 24.81% for 2025; and

WHEREAS: With a current balance of \$74,861 in the Medical Premium Stabilization Reserve, the Mayor and City staff recommend utilizing funds from the Reserve to lower the 2025 rate increase to 18.125% and reduce the financial impact to employees.

NOW, THEREFORE, BE IT RESOLVED THAT: City Council hereby approves the use of funds from the Medical Premium Stabilization Reserve in order to offset the 2025 medical insurance premium rate increase as outlined above.

Jeremy Grimm, Mayor

ATTEST:

Melissa Ward, City Clerk