ORDINANCE NO. 13
SERIES 2010


WHEREAS, the City of Gunnison contracted with Rural Health Plans Initiative to provide employee health insurance from October 1, 2009 to December 31, 2010; and

WHEREAS, the City of Gunnison had made timely premium payments on all health insurance premiums due to Rural Health Plans Initiative; and

WHEREAS, the City of Gunnison has been notified that Rural Health Plans Initiative filed Chapter 7 Bankruptcy with the United States Bankruptcy court, District of Colorado, on November 23, 2010; and

WHEREAS, the City of Gunnison purchased additional health insurance for the month of November for its employees, even though premiums had already been paid to Rural Health Plans Initiative; and

WHEREAS, the health insurance premiums paid to Colorado Employers Benefit Trust for the month of November totaled $49,381; and

WHEREAS, the City of Gunnison desires to pay 100% of the additional November premiums out of cash reserves of funds in which the covered employees are employed; and

WHEREAS, the City of Gunnison has contracted with Caplan and Earnest, LLC, a law firm who is representing clients who had contracted with Rural Health Plans Initiative, to assist the City of Gunnison with addressing issues related to health insurance coverage; and

WHEREAS, the City of Gunnison anticipates the legal fees associated with Caplan and Earnest, LLC will not exceed $6,000 for fiscal year 2010; and

WHEREAS, the City of Gunnison desires to enter into an agreement with a third party administrator to process the unpaid claims from October, 2009, to October, 2010; and

WHEREAS, the City of Gunnison anticipates the set-up fees to contract with the third party administrator to be $1,500.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, THAT:

1) Additional funds in the amount of $26,438 be appropriated in the General Fund to cover November 2010 health insurance premiums;
2) Additional funds in the amount of $2,168 be appropriated in the Internal Service Fund, fleet division to cover November 2010 health insurance premiums;
3) Additional funds in the amount of $17,690 be appropriated in the Enterprise Fund to cover November 2010 health insurance premiums in the electric division ($3,161), in the water division ($1,687), in the wastewater division ($4,765), in the refuse division ($2,116), and in the communications division ($5,961);
4) Additional funds in the amount of $3,085 be appropriated in the Park and Recreation Fund to cover November 2010 health insurance premiums in the pool division ($2,377), and in the rink division ($708); and
5) Funds in the amount of $7,500 be transferred from the General Fund to the Insurance Reserve Fund, and appropriated in the Insurance Reserve Fund to cover attorney fees ($6,000), and to cover third party administrator fees ($1,500).
INTRODUCED, READ, PASSED AND ORDERED PUBLISHED this 14th day of December, 2010, on first reading, and introduced, read, and adopted on second and final reading this 28th day of December, 2010.

Seal:

ATTEST:

Published in full in the
Gunnison Country Times
December 23, 2010