

**M**INUTES OF THE VERNAL CITY COUNCIL SPECIAL MEETING HELD  
DECEMBER 7, 2015 at 4:00 p.m. in the Vernal City Council room, 374 East Main,  
Vernal, Utah 84078.

**PRESENT:** Councilmembers Ted Munford, Dave Everett, Samantha Scott, JoAnn Cowan, Bert Clark and Mayor Sonja Norton.

**ACKNOWLEDGMENT AND APPROVAL OF SPECIAL MEETING:** Councilmember JoAnn Cowan moved to acknowledge and approve this special meeting. Councilmember Samantha Scott seconded the motion. The motion passed with Councilmembers Cowan, Scott, Munford and Everett voting in favor. Councilmember Clark was not present for the vote.

**DISCUSSION AND REQUEST FOR APPROVAL OF HEALTH INSURANCE CHANGES:** Ken Bassett reminded the Council that Arches Health Plan has found it necessary to stop doing business because of federal funding issues. At the end of the plan year the City will need to select another carrier. The insurance broker, Tim King with GBS Benefits, has been looking at other carriers to see if there was any interest in taking over the City’s health insurance sooner than July. One carrier, Cigna, has submitted a good proposal for eighteen months. The benefits will remain the same as with Arches Health Plan for the first six months, and then can be looked at again in May or June to see if the City wants to change anything. Tim King explained that the proposal includes Cigna assuming all insurance commitments of Arches with Vernal City. Cigna will offer the same benefits at the same premium amount, and credit deductibles and co-payments as if no change was made for the remainder of the plan year. In July 2016, the rate will go up 7.5%. Ken Bassett stated the City had a cap of a 13% rate increase with Arches. He noted that with his experience with the insurance industry, there are significant increases every year averaging 10% to 12%. Added to that, Cigna is willing to give a transition credit of \$20,000 that reduces the increase to a net of 6%. In order to make a smooth transition, a decision is needed quickly for a January 1, 2016 effective date. Councilmember Bert Clark asked if the employees on the high deductible plan were still getting a stipend. Ken Bassett stated the City does put money into a health saving account for them. Tim King commented that this is a unique opportunity for Vernal City employees with a carrier willing to take a risk as there could be unexpected claims that are not included in the rates. Councilmember Clark asked if there have been any problems getting claims paid by Arches with the financial problems they are having. Tim King explained that although Arches is in receivership, the State is guaranteeing that claims will be paid, and so far there have not been any issues. Ken Bassett asked if there will be any problems with the Arches contract if the City changes carriers earlier than July. Tim King stated Arches is being accommodating, and once a decision is made, a termination letter will need to be sent to them. Councilmember Clark verified that employees who have already met their deductible will receive credit for it. Roxanne Behunin stated Cigna will credit the deductible and any co-payments toward the employees total out of pocket expenses for the plan year. Tim King agreed and stated a new plan year will begin in July, and this will be an 18 month contract. After further discussion, Councilmember Ted Munford moved to approve a new health insurance plan with Cigna effective January 1. Councilmember Bert Clark seconded the motion. The motion passed with the following roll call vote:

*Councilmember Munford.....aye;*  
*Councilmember Cowan.....aye;*

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*Councilmember Everett .....aye;*  
*Councilmember Scott .....aye;*  
*Councilmember Clark.....aye.*

**ADJOURN:** There being no further business; Councilmember Dave Everett moved to adjourn. Councilmember Samantha Scott seconded the motion. The motion passed with a unanimous vote and the meeting was declared adjourned.

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Mayor Sonja Norton

ATTEST:

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Roxanne Behunin, Deputy Recorder

( S E A L )