

**CITY OF GRAFTON  
WAYS AND MEANS COMMITTEE  
MEETING OF SEPTEMBER 3, 2020**

A special meeting of the Ways and Means Committee of the City of Grafton was held at 5:30 p.m. Thursday, September 3, 2020 over the meeting application Zoom.

Chairperson Chris West presided. Members present: Don Hutson, Chris Lipsh, and Shane Mohn. Absent: David Fellman. Others present: Greg Young and Nick Ziegelmann.

The meeting was called to continue the discussion of the health insurance proposal presented by Hays Companies who is working with the North Dakota Insurance Reserve Fund (NDIRF) and ND Public Health Insurance Trust (NDPHIT). Members were furnished with a copy of the Power Point presentation, along with the Member Participation Agreement for review.

Of the potential 47 groups, the Trust is selecting 25-27 groups with positive loss ratios to participate. These members of the Trust would be the founding group and have a preferred renewal position. Blue Cross/Blue Shield would provide an identical plan as the City currently has through the ND Public Employees Retirement System (NDPERS) with a \$500 deductible per person and 80/20 coinsurance. A main concern is once the City leaves its grandfathered NDPERS plan, it can never go back.

Premiums are proposed at a 0% increase of current rates for 2021 with annual adjustments of approximately 3-6%. NDPERS rates have increased between 7.35% and 15.13% each biennium. Committee members commented the lower annual increases will prolong the foreseeable possibility of employees contributing to the cost of monthly premiums. NDPHIT will be able to provide plan choices, flexibility and tier options so there may be more cost savings if an employee with a family plan can move to an employee/spouse or employee/dependents plan.

The Member Participation Agreement requires the City to participate for a minimum of two years and to contribute a one-time claims deposit of 8.5% of the annual premium or \$44,782 in December 2020 to have a sufficient fund balance to begin paying claims. The amount would be listed as an asset to the City of Grafton and can be either returned or used to offset future increases as determined by the Trustees.

Mayor West said the NDIRF Attorney has reviewed the Member Participation Agreement, and Mr. Ziegelmann stated he will have City Attorney Nick Hall also review the Agreement before the September 14<sup>th</sup> City Council meeting.

It was moved by Mr. Lipsh, and seconded by Mr. Hutson to recommend to the City Council to approve participation in the North Dakota Public Health Insurance Trust (NDPHIT) for employee health insurance. All members present voted in favor thereof; Mayor West declared the motion carried.

**ADJOURNMENT**

It was moved by Mr. Mohn, seconded by Mr. Hutson and carried to adjourn the meeting.

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Chris West, Chairperson

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Wanda L. Ensruide, Deputy Auditor