

City Council Meeting  
May 4, 2011

Present: Mayor John Williams, Councilpersons Evan Stewart, Tom Jankowski and Dan Becker

Also Present: City Clerk/Treasurer Michelle Richards and Police Sergeant Cory Hert

Mayor Williams opened the meeting at 5:00 pm for the purpose of making a decision on Employee's Medical Benefits. Following the Pledge of Allegiance, Clerk/Treasurer Richards called the Roll Call.

**Public Comment:** No comments received.

**Business of the Council:**

Mayor Williams explained that Councilperson Dan Becker is an employee of the city and therefore has a conflict of interest and cannot participate in this decision. However, he did request a Fifth Option be developed for City Council's consideration. Mayor Williams will vote since only two council members present are eligible to vote.

Mayor Williams reported the police department bargaining unit has already voted on and approved the proposed contract which contains the following statement about insurance: "The City of Colstrip provides health insurance coverage for all employees. The city pays 100% of the family rate. If the employee does not require family coverage, the difference left over after paying the individual employee's coverage is placed in a flexible medical spending account for the employee to use for any medical related expense not covered by the insurance plan." If the City Council makes a change that would be contrary to what the union has agreed to, the union would have to vote and agree to it.

Mayor Williams recommended the City adopt Option 1 or Option 2. Option 1 would remove the extra 10% for the flexible spending account contribution for employees enrolled in the health insurance. Option 2 leaves the flexible spending account alone and removes the prescription drug card program from the insurance plan but prescriptions would be covered under the insurance.

Councilperson Stewart moved to accept Option 5, which would establish a \$5,000 maximum flexible spending account contribution, continue the vision, dental, prescription drug card program and life insurance coverage, continue providing health insurance at the Madison Plan Family rate and allow employees to continue to choose their health insurance plan. Councilperson Jankowski seconded the motion. Discussion: Councilperson Stewart stated after reviewing the options presented he likes this option the best except for paying 100% of the

family premium but recognizes this will help with recruitment of new employees. If the health care legislation limits flexible spending account contributions to \$2,500 in a few years, this is a great opportunity for employees to prepare for that and with the savings of \$90,000 the money can be used for needed projects. City Clerk/Treasurer Richards explained to the City Council that the potential savings to the city by reducing the flexible spending account contributions will be reduced if the six full-time employees that are currently waiving insurance decide to enroll in the insurance. Mayor Williams commented that this action takes away from the employees and he does not support it. Councilpersons Stewart and Jankowski voted in favor. Mayor Williams voted against. Motion carried 2-1.

Councilperson Jankowski commented that providing 100% of employees' insurance premiums is almost unheard of and he wished he had that personally. He doesn't like taking benefits away from employees either and knows there will be some upset and disappointed employees. But if federal law does lower the flex plan contributions in 2013 to \$2,500 anyway this is a proactive approach to prepare for something we will like even less. He apologizes for taking benefits away but the employees still have the prescription drug card and 100% of premiums paid for. Most companies don't put funds into employees' flexible spending accounts.

Councilperson Stewart moved to adjourn the meeting. Councilperson Jankowski seconded the motion. Mayor Williams adjourned the meeting at 5:20 p.m.

---

Michelle Richards, City Clerk/Treasurer