



CITY OF NORTH POLE *Alaska*

REGULAR CITY COUNCIL MEETING **Monday, May 16, 2011**

Committee of the Whole – 6:30 p.m.
Regular City Council Meeting – 7:00 p.m.

COUNCIL MEMBERS

Bonnie Arnold	488-9246
Richard Holm	488-1776
Sharron Hunter	488-4282
Kevin McCarthy- <i>Dep. Mayor Pro Tem</i>	490-9039
Ronald Jones – <i>Alt. Dep Mayor Pro Tem</i>	488-3579
Thomas McGhee - <i>Mayor Pro Tem</i>	455-0010

MAYOR

Doug Isaacson 488-8584

CITY CLERK

Kathy Weber 488-8583

1. **Call to Order/Roll Call**
2. **Pledge of Allegiance to the US Flag**
3. **Invocation**
4. **Approval of the Agenda**
5. **Approval of the Minutes**
6. **Communications from the Mayor**
7. **Council Member Questions of the Mayor**
8. **Communications from Department Heads, Borough Representative and the City Clerk**
9. **Ongoing Projects Report**
Summer Festival Committee
Beautification Committee
10. **Citizens Comments (Limited to Five (5) minutes per Citizen)**
11. **Old Business**

12. New Business

- a) Renewal of Great West Life/Cigna Health Insurance for City of North Pole
- b) Ordinance 11-05, An Ordinance of the City of North Pole, Alaska Amending Chapter 13.08, Administrative Provisions

13. Council Comments

14. Adjournment

The City of North Pole will provide an interpreter at City Council meetings for hearing impaired individuals. The City does require at least 48 hours notice to arrange for this service. All such requests are subject to the availability of an interpreter. All City Council meetings are recorded on CD. These CD's are available for listening or duplication at the City Clerk's Office during regular business hours, Monday through Friday, 8:00 a.m. to 5:00 p.m. or can be purchased for \$5.00 per CD. The City Clerk's Office is located in City Hall, 125 Snowman Lane, North Pole, Alaska.

**Committee of the Whole – 6:30 P.M.
Regular City Council Meeting – 7:00 P.M.**

A regular meeting of the North Pole City Council was held on Monday, May 2, 2011 in the Council Chambers of City Hall, 125 Snowman Lane, North Pole, Alaska.

CALL TO ORDER/ROLL CALL

Mayor Doug Isaacson called the regular City Council meeting of Monday, May 2, 2011 to order at 7:00 p.m.

There were present:

**Ms. Arnold
Mr. McGhee
Ms. Hunter
Mr. Jones
Mr. Holm
Mr. McCarthy
Mayor Isaacson**

Absent/Excused

**Excused

Excused
Excused**

PLEDGE OF ALLEGIANCE TO THE U.S. FLAG

Led by Mayor Isaacson

INVOCATION

Invocation was given by Councilwoman Sharron Hunter

APPROVAL OF AGENDA

Mr. McGhee moved to Approve the Agenda of May 2, 2011

Seconded by Mr. McCarthy

Discussion

None

Mr. McGhee moved to put New Business Item (a) on consent agenda

Seconded by Mr. McCarthy

Discussion

PASSED

YES –4-McCarthy, Hunter, McGhee, Isaacson

NO – 0

Abstained- 0

On the main motion as amended

PASSED

*City of North Pole
May 2, 2011*

YES –5 –Holm, McCarthy, Jones, McGhee, Isaacson
NO – 0
Abstained- 0

APPROVAL OF MINUTES

Mr. McGhee moved to Approve the Minutes of April 18, 2011

Seconded by Ms. Hunter

Discussion

None

On the amendment

PASSED

YES – 4- McCarthy, Hunter, McGhee, Isaacson
NO – 0–
Abstained- 0

On the main motion as amended

PASSED

YES-4- Hunter, McCarthy, McGhee, Isaacson
NO-0
Abstained-0

COMMUNICATIONS FROM THE MAYOR

Communication Highlights from the Mayor for the period ending April 28, 2011
ISSUES:

- Update Juneau: As I write this it is day 12 of 30 of the Special Session, there is still no word about the details of the Capital Budget. The Senate has not brought it to the floor nor transmitted it to the House.
- Beautification & Clean Up Day: The Beautification Committee's minutes are attached, their next meeting is scheduled for May 9, 6 p.m. at Wendy's. But don't wait until May 9 to be proactive in making North Pole a beautiful place to live, work, and play—Area Wide Clean Up day is May 7 and members and friends of the committee will be out on the sides of the road from 10 a.m. to 2 p.m. picking up the trash. If you would like to help, with the committee, call Tom Ertel, cell: 716-807-6359; home: 488-6432; on your own, trash bags will be available at the North Pole Fire Department—who will also be serving hot dogs from 10 a.m. to 2 p.m. For more information about this event, please refer to the attached flyer.

- Summer Festival Committee: Met on Monday, April 26. Thank you to new sponsor North Haven / Ft. Wainwright, who has contributed \$1000! We've got a great team tackling 11 different projects that must be completed in order to put on a great event this July 4. If you would like to participate in helping to make this event exciting, whether it's producing the parade, scouring the community for finances and prizes, soliciting vendors, helping with games, putting on the Bed Race, marketing, or even being on the set-up and clean-up teams, please mark your calendar and attend **the next two meetings: May 10 & 24, 6 pm, at City Hall**. See you there!
- Meetings with Dan Fauske, ASAP: I've met twice with Dan Fauske, President & CEO Alaska Housing Corp, and also the CEO for the ANGDA Alaska Stand Alone Gas Pipeline (ASAP) Project. The route being planned is along the Parks Highway which may have some benefit as it was the Enstar project; however, it hits Fairbanks by a more slender spur and doesn't even get to the existing infrastructure here in North Pole at the GVEA electric generator and the two refineries (getting it to our industrial users means the cost of electricity, heating oil, gasoline will go down and consumers should realize immediate relief from natural gas). The Richardson Highway offers more economic users, especially mines, that will be completely bypassed by the proposed route. The Richardson Highway Mayors have signed onto a letter with FEDC to ask for genuine consideration of the alternate route, as required by the original enabling legislation in 2009. For more information on this important project, plan to attend the public meeting on Tuesday, 6 p.m. at the Civic Center (Centennial Hall) at Pioneer Park. Online: www.gasline.us.com
- Sulfolane Update: DEC Sulfolane Technical Project Team has published a 16 page newsletter (on the dais for Council) that is available online at <http://www.dec.state.ak.us/spar/csp/sites/north-pole-refinery/>. Hard copy of the newsletter can also be requested from Susan Erben, Public Involvement Coordinator, Contaminated Sites Program, email: susan.erben@alaska.gov, phone: 907-465-5206.
- UAF Recognizes Local Alumni and Supporters: Chancellor Brian Rogers and a number of University officials and staff hosted UAF North Pole Alumni and Supporters Recognition on April 25, from 5:30 to 7 pm at the Hotel North Pole. Among the people and groups recognized were our Police and Fire Departments. We appreciate the growing partnership the University is developing with our community.
- City-Wide Open House Proposed: This year's Cruisin' With Santa will be held both in the Spring and Fall, the Spring date being May 21—the same day the City Departments will host a

City Wide Open House. In addition to the annual NPFDD Open House, which is being very well organized this year by Kyle Green, there will be booths at City Hall and the NPPD. A City “Passport” will be issued and small prizes given for visiting all the functions. Tom Ertel will be bringing his Santa Sleigh Train, developed for NP Christmas In Ice, to provide transportation between locations. Rides, information, static and interactive displays, and city staff will be on hand to answer questions from the public. We are inviting other agencies to be involved, too. This will be a great day to be in North Pole. I encourage Council members to take an active role on this date by being in attendance and by sitting a booth-or otherwise being available to interact with the public. Mark your calendar for May 21, 10 a.m. to 4 p.m. More information to follow in the next couple weeks.

- Meetings with Rep Young and Sen Murkowski: I had meetings with members of our Congressional Delegation with the other mayors and/or community members. Among the top concerns was funding for energy projects, securing State funding for the Tanana Bridge access to JPARC, natural resource development, stopping federal overreach, and local projects funding. Both indicated that with the current composition of Congress and the White House the overreach may continue and funding for local projects may be slim.

FNSB ASSEMBLY MEETING:

The Assembly met on April 28 began at 6 p.m. and didn’t adjourn until 12:37 a.m. on the 29th. I stayed for the duration because the Resolutions concerning Ice Alaska and the competitive bid for \$1.7 million were the last items of the evening. The Assembly adopted both Resolution 2011-20, sponsored by Tim Beck, which allowed for Ice Alaska to qualify for the funds if they could have a deal in place by 6/30/2011. They then adopted Resolution 2011-19, sponsored by Mayor Hopkins, which puts the funds in a competitive bid after 7/1/2011 if Ice Alaska fails to have a deal put in place. Should that happen, North Pole Christmas In Ice is preparing to participate in the RFP which Mayor Hopkins is now tasked to develop. Other items affecting North Pole included the passage of Ordinance 2011-24 which defines the Alaska Gasline Port Authority’s project and places it on the next general election ballot. The Assembly continues to work on the annual budget, a draft copy is available in my office. The next two regular Assembly meetings are scheduled for May 5 and 12. For a list of meeting times and agendas, go to <http://co.fairbanks.ak.us/meetings/Assembly> .

MEDIA:

Apr 30, Mayor Isaacson was on KJNP (1170 AM, 100.3 FM) 8 – 9 a.m. “Over the Coffee Cup.”

UPCOMING (see above for other events, dates, and times)

- **May 5, 11 am – 1 pm,** FNSB Senior Appreciation Luncheon @ Carlson Center

- **May 9, 11 a.m.**, Mayor to attend Quarterly Awards Luncheon @ EAFB
- **May 13, 1 pm**, UAF Law Enforcement Academy Graduation Ceremony & Reception @ Centennial Hall (NP Officer Alex Sporleder is currently the head of the class!)
- **May 14, 9 am**, Governor's Prayer Breakfast @ Westmark.

COUNCIL MEMBER QUESTIONS OF THE MAYOR

Ms. Hunter asked if Mayor Isaacson had looked into the matter of the pictures on the front page of the website.

Mayor said he has reviewed the website and has talked with the clerk about that subject and they are in the process of putting a slide show on the website.

COMMUNICATIONS FROM DEPARTMENT HEADS, BOROUGH REPRESENTATIVE AND THE CITY CLERK

Accountant

Lisa Vaughn

- None

Police Dept

Lt. Dutra

- None

Fire Dept

Chief Lane

- None

Director of City Services, Bill Butler

None

Borough Representative, Mayor Isaacson

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City Clerk, Kathy Weber

- Mrs. Weber attended the City Clerks Association of California from April 26th – 29th. As a visiting VIP, she was able to have a backroom tour of Harrah's, which included everything from the kitchen to Penthouses with 6,000 sf of living area. Much of the conference was dedicated to the importance of continuing education, in the clerk's profession as well as meetings with state presidents, committees, and vendors. I will be traveling to the International conference on Friday, May 6 – 13th to Nashville, TN.

ONGOING PROJECTS

None

CITIZENS COMMENTS – 5 Minutes

OLD BUSINESS

None

NEW BUSINESS

Approved by consent agenda

REQUEST FOR MAYOR, CITY CLERK AND THREE COUNCIL MEMBERS TO TRAVEL TO SITKA, ALASKA TO ATTEND THE AML SUMMER LEGISLATIVE/ACoM MEETING

COUNCIL COMMENTS

None

ADJOURNMENT

Mr. McGee *moved to* adjourn the meeting of May 2, 2011

Seconded by Mr. McCarthy

No Objection

The regular meeting of May 2, 2011 adjourned at 7:11 p.m.

These minutes passed and approved by a duly constituted quorum of the North Pole City Council on Monday, May 16, 2011.

DOUGLAS W. ISAACSON, Mayor

ATTEST:

KATHRYN M. WEBER, MMC, City Clerk

May 9, 2010

Kathy Weber
City of North Pole
125 Snowman Lane
North Pole, AK 99705

RE: July 1, 2011 Renewal

Dear Kathy,

Enclosed are 4 exhibits showing our financial analysis of the CIGNA/GWL renewal offer for City of North Pole's life and health plan and projecting the Expected Cost and Maximum Cost on total monthly and per employee per month basis for the 2011/2012 plan year.

Paid Claims:

Exhibit I shows the current plan utilization for the 2010-2011 plan year. Currently the plan is running at 78% of expected cost and 70% of Maximum Costs. This is significantly better than the 2009-2010 year end when costs were running at 105% of Expected Costs and 95% of Maximum Costs. Maximum Cost is calculated by adding the Maximum Claims plus stop loss premiums, Administration Fees and Utilization Review charges together. Consequently Maximum Cost is approximately 10% above Expected Cost. Actual Cost must exceed Maximum Cost before the stop loss company will reimburse an aggregate claim.

As you can see by the claims graph, in **Exhibit I-C**, there have only been three months which stand out with high claims during the year to date. July 2010, and February & March 2011, during both July and March the adverse experience was largely due to a claim exceeding your Specific Stop Loss Deductible of \$30,000.

Eligible Employees:

We have reviewed the monthly eligibility to determine if the claims experience was affected by any changes in the number of eligible employees. The number of eligible employees each month for the latest 24 months is also shown in **Exhibit II**. We use the eligibility data in

order to determine if there has been a significant change (plus or minus 10%) in the number of covered employees from last year to the current year.

The change during the 24 month period shown is an average decrease of 1 employee per month, approximately 4%, and this change in eligible employees is not large enough to have an effect on utilization.

Renewal Projection:

We have projected the expected claims in, **Exhibit II**, for the 2011/2012 Policy Year using an average of the latest 24 months of paid health claims statistics and calculated a weighted average. Weighting the prior 12 months at 25% and the latest 12 months at 75% helps to “smooth” the volatility found in the month to month claims experience on a group of this size. The use of an extended historical experience period lessens the effect of large claims during any one 12-month period.

Exhibit II shows the paid claims under the medical plan for the latest 24 months from April 1, 2009 through March 31, 2011. The claims include medical, dental, vision, and prescription drugs. The eligible employees are also shown for the 24 month period and an average monthly claims paid per employee figure is calculated. This figure is then adjusted for trend.

Trend is the expected change in the cost of providing health due to *inflation* and *utilization*, from one period of analysis to the next, usually one year. Please note that the average paid claim per employee per month for Medical, Dental, Vision, and Rx has decreased from \$661.56 to \$552.44 during the most recent 12 months, a decrease of \$109.12 per employee per month or 16.5%.

Inflation is the change in cost of a particular unit of health care service or supply from one period of analysis to the next. *Utilization* is a factor expressing the change in the number of a particular health service or supply purchased from one period of analysis to the next. *Inflation* is expected to be approximately 10% over the next year. *Utilization* can be either positive or negative, adding to or subtracting from the effect of *inflation*. When the economy is stagnant or contracting, *utilization* will increase and when the economy is growing *utilization* will decrease. The Alaskan economy is currently stable and *utilization* is estimated at approximately 1% over the next 12 months.

We have used a combined annual trend factor for Medical of 11%. The 11% annual trend is equal to 12.6% when projected over the 14-month period, from the date of the latest month of experience (April 2011) through the end of the renewal Period (June 30, 2012).

The average monthly paid health claims per employee were multiplied by the trend factor of 12.6% identified above to project the expected monthly paid claims per employee for the 2011/2012 plan year. The expected monthly paid claims, per employee, are called the Expected Claim Factor. The Maximum Claim Factor is then calculated by inflating the Expected Claim Factor by the aggregate corridor of 20% (aggregate maximum claim liability is limited to 120% of expected claims).

Our projection yields a Maximum Claim Factor of \$783.32 per employee per month and an Expected Claim Factor of \$652.76. The Maximum Claims Factor is 20% higher than the Expected Claim Factor. The administration fees and stop loss premiums are added to these factors to calculate Maximum Cost and Expected Cost.

CIGNA/Great West Renewal:

Life, AD&D:

We have received the renewal notification for Life, AD&D, and Medical from CIGNA/Great West Life. They have submitted their renewal offer with no increase in the Life and AD&D rates. Life will remain at \$0.36 / \$1,000 and AD&D will remain \$0.04 / \$1,000 of coverage. **Exhibit III-A.**

Health Renewal:

This is the first renewal since Health Care Reform has taken effect and as mentioned in prior correspondence the City has the option of adopting the Patient Protection and Affordable Care Act (PPACA) changes, or remaining “Grandfathered” and adopting only those changes that are required to be adopted by Grandfathered Plans.

As you will note by our renewal spreadsheet CIGNA has provided us with three renewal options as shown on **Exhibit III-B.**

- **Option 1** – is for a **Non Grandfathered Plan** – All changes incorporated into the PPACA legislation would take effect immediately. The overall rate increase would be 3.21% over current costs.
- **Option 2** – is for a **Grandfathered Plan** – Making only minor changes to the plan as required, *with a renewal date of July 1, 2011*. The overall rate increase would be 3.05% over current costs.
- **Option 3** – is for a **Grandfathered Plan** – *With renewal confirmation by May 25, 2011*. The overall rate increase would be reduced to -.89% with the same benefits as Option 2.

As of 2011 the City of North Pole has been a client of Great West Life, now CIGNA for 15 years. To thank you for your continued patronage CIGNA would like to offer a \$15,000 credit to the Administrative Fee with the July 1, 2011 renewal.

Exhibit III-C shows Options 1-3 including the \$15,000 Administrative Credit which CIGNA is offering on this renewal. All of our comments from this point forward will be referencing **Exhibit III-C** and including the Administrative Credit offered by CIGNA.

- The Administrative Credit will reduce Option 1 to an overall 1.34% increase.
- Option 2 would be reduced to an increase of 1.19% increase.
- Option 3 will produce an overall reduction in cost of -2.76% *if the renewal is confirmed by May 25, 2011.*

Administrative Fees:

In addition to the Administrative Credit mentioned above CIGNA/GWL has offered to reduce the administrative fees for 2011/2012 compared to the current rates if you opt for the early renewal Grandfathered plan (Option 3). ***In order to qualify for the Early Renewal credit your must confirm your renewal no later than May 25, 2011.***

	Current Non GF	Option 1 Non GF	Option 2 GF 7/1	Option 3 GF Early Renewal
Monthly	\$6,117.43	\$6,154.60	\$6,148.89	\$6,100.04
Annual	\$73,409.16	\$73,855.20	\$73,786.68	\$73,200.48
Increase		0.61%	0.51%	-0.28%

Specific Stop Loss Deductible:

CIGNA/GWL is offering a renewal at the current \$30,000 Specific Stop Loss Level, **(the point at which the insurance company begins to fund large claims on any one individual during the plan year).** The City has had two claims exceed the Specific in the last 12 months, and 6 in the last 4 plan years. CIGNA has stated that the renewal calls for a 15% increase in the Specific Stop Loss Premium, but when Health Care Reform plan changes are included the increase becomes 16.9%. CIGNA is willing to waive a significant portion of this if you commit to the renewal by May 25, 2011, under Option 3.

	Current Non GF	Option 1 Non GF	Option 2 GF 7/1	Option 3 GF Early Renewal
Monthly	\$15,211	\$17,782	\$17,782	\$15,292
Annual	\$182,534	\$213,384	\$213,384	\$183,508
Increase		16.9%	16.9%	0.53%

Compared to the current Specific Stop Loss Premium, the Option 1& 2 renewals from CIGNA would increase the Specific Stop Loss Premium by \$30,850.32 annually; Option 3 would increase the Specific Stop Loss Premium by \$974.16 annually. *(Requires May 25, 2011 renewal confirmation)*

Aggregate Premium:

The Aggregate Premium which protects the plan from all claims exceeding a pre set dollar amount will renew with a 1.95% to 1.91% increase for Option 1 & 2 for an annual increase of \$1191.60 and \$1164.84 respectively. Option 3, would reduce the Aggregate Premium by -.14% for an annual reduction of -\$83.52, (*May 25, 2011 renewal confirmation*).

Total Fixed Costs: Exhibit III-C

- Option 1 – Non Grandfathered – the annual Fixed Costs would be \$349,543.56, less the \$15,000 Administrative Credit for at total of \$334,543.56, a total increase of 5.52%, or \$17,487.96 annually.
- Option 2 – Grandfathered - the annual Fixed Costs would be \$349,448.28, less the \$15,000 Administrative Credit for at total of \$334,448.28, a total increase of 5.49%, or \$17,392.68 annually.
- Option 3 – Grandfathered – (*May 25, 2011 renewal confirmation*) the annual Fixed Costs would be \$317,737.56, less the \$15,000 Administrative Credit for at total of \$302,737.56, a total decrease of -4.52%, a savings of \$14,318.04 .

Aggregate Claim Factors:

As of March, claims were running at 61% of expected according to CIGNA. Based on the size of your group your experience is 32% credible so they blend your claims experience with their manual rates which resulted in a claims decrease of 4.1%. When claims were then adjusted for Health Care Reform plan changes which are required the end result is an adjustment in the claims factor of -1.37% for a Non Grandfathered plan or -1.61% for a Grandfathered plan

Annual Maximum Claims Cost:

	Current Non GF	Option 1 Non GF	Option 2 GF 7/1	Option 3 GF Early Renewal
Monthly	\$40,555.95	\$39,998.57	\$39,902.07	\$39,902.07
Annual	\$486,671.40	\$479,982.84	\$478,824.84	\$478,824.84
Increase		-1.37%	-1.61%	-1.61%

Summary:

The initial renewal offer from CIGNA/GWL came in with an overall increase of 3.21% for a Non Grandfathered plan. When the Administrative Credit of \$15,000 is applied the overall increase drops to 1.34% for an annual increase at maximum cost of \$10,799.40. **(Exhibit III-C Option 1)**

If the plan were to remain Grandfathered the overall increase would be reduced to 1.19% for an annual increase of \$9,546.12. **(Exhibit III-C Option 2)**

If the plan were to remain Grandfathered *and renew by May 25, 2011*. Fixed costs would be reduced by -4.52%, an annual savings of \$(14,318.04) over the 2010-2011 rates. Claims costs would be reduced an additional -1.61% at maximum cost. The overall reduction in cost based on this renewal option at Maximum Claims would be -2.76%, an annual saving of \$(22,164.60). **(Exhibit III-C Option 3)**

PPACA – HEALTH CARE REFORM:

The plan changes required by PPACA on your July 1, 2011 renewal for **Grandfathered Plans** are:

- Lifetime Maximum will increase from \$1,000,000 to Unlimited
- Pre-Existing conditions will be waived for enrollees to Age 19
- Dependents Age limits will change from 19 (23 if FT Student) to Age 26. Dependent status will no longer be qualified by student status, marital status, financial responsibility or residency. **Adult children may remain on the plan until age 26, unless they are eligible for another employer sponsored health plan, other than that of a parent.** This plan does not cover a dependents spouse or children.

Italicized text applies to grandfathered plans only.

NON – GRANDFATHERED PLANS: If the City opts for a Non Grandfathered Plan you will need to make all of the changes above plus the following:

- Dependents Age limits will change from 19 (23 if FT Student) to Age 26. Dependent status will no longer be qualified by student status, marital status, financial responsibility or residency. **Adult children may remain on the plan until age 26 regardless of eligibility for other coverage.** This plan does not cover a dependents spouse or children.
- Preventive Care – would be paid at 100% with no deductible and include all of the following mandated tests. The list of mandated preventive items is separated into the following major categories: **Exhibit IV**
 - Grade A and B Recommendations of the United States Preventive Services Task Force
 - Recommended Immunizations
 - Recommended Preventive Pediatric Care
 - SACHDNC Recommended Uniform Screening Panel – Core Conditions
 - SACHDNC Recommended Uniform Screening Panel – Secondary Conditions

[SACHDNC stands for Secretary’s Advisory Committee on Heritable Diseases in Newborns and Children]

Recommendations:

We recommend you accept the CIGNA/GWL renewal Option 3. In this option you would retain your plans Grandfather Status and renew your coverage with CIGNA/GWL, at your current \$30,000 Specific Stop Loss Deductible on or before May 25, 2011, as shown on **Exhibit III-C**.

This option provides you the best renewal rates, while retaining your Grandfather Status which limits your plans exposure to the unknown liability of PPACA - Health Care Reform until more of the regulations are written and specific benefits are defined by the Secretary of Health & Human Services.

As with every renewal there is paperwork required and this year is no exception. There are several notices which you will need to distribute to employees at open enrollment this year. We will provide you those notices.

- **Grandfather Notice:** You will need to notify employees of the Grandfather or Non Grandfather status of the plan, at renewal.
- **Dependents to Age 26:** Participant who may have aged out of the plan have the option to re-enroll for coverage. The new PPACA law requires we allow 30 days for this enrollment period.
- **Lifetime Limits:** Participants who may have exceeded their lifetime benefits may re-enroll for coverage. The new PPACA law requires we allow 30 days for this enrollment period.

You will also need to register your plan on the Medicare website to inform them that your prescription drug coverage is considered credible coverage. We will provide you with the information to complete this registration once the renewal is completed.

CIGNA has completed its official name change and will be issuing new ID cards for all employees at renewal reflecting the CIGNA Logo.

If you have any questions I can be reached at 907-564-6140, or you can contact Bruce Gale at 907-564-6129.

Sincerely,

Diana Stewart, RHU, CEBS
Sr. Benefits Account Manager
Alaska USA Insurance Brokers

**CITY OF NORTH POLE
GROUP HEALTH PLAN**

**ACTUAL COST COMPARED TO EXPECTED COST
PLAN YEAR: JULY 1, 2010 THROUGH JUNE 30, 2011
Claims in excess of the Specific Stop Loss of \$30,000 EXCLUDED**

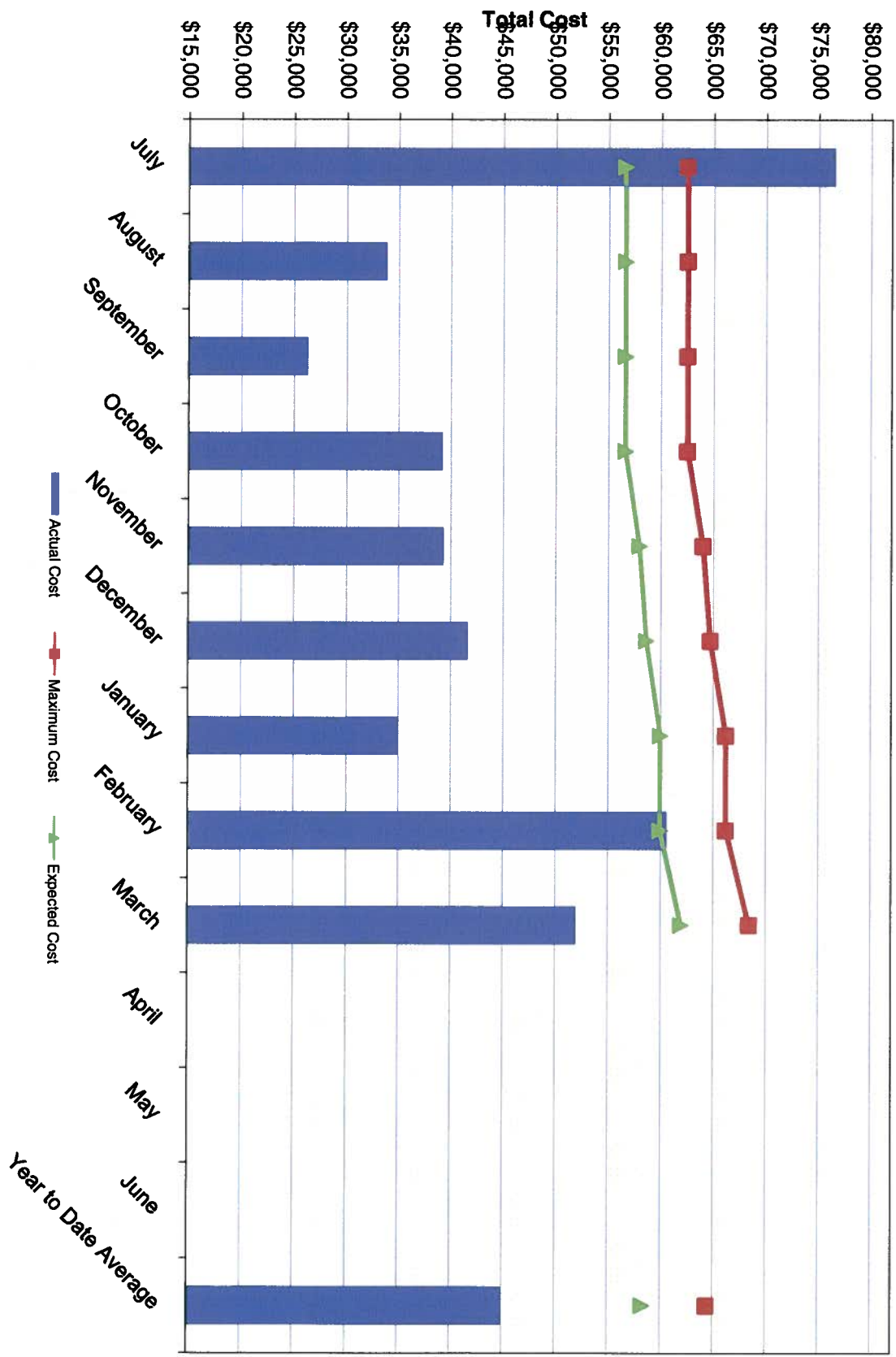
Month	Total Claims	Stop-Loss Premium	Admin & U/R	Actual Cost	Expected Cost	Ratio	Amounts Over \$30,000
July	\$51,838	\$18,938	\$6,184	\$76,961	\$56,594	136%	\$28,009
August	\$9,116	\$18,938	\$6,184	\$34,238	\$56,594	60%	\$439
September	\$1,571	\$18,938	\$6,184	\$26,693	\$56,594	47%	\$27
October	\$14,474	\$18,938	\$6,184	\$39,596	\$56,594	70%	\$91
November	\$14,037	\$19,393	\$6,299	\$39,729	\$57,939	69%	\$418
December	\$16,069	\$19,611	\$6,388	\$42,068	\$58,598	72%	\$512
January	\$8,863	\$20,066	\$6,503	\$35,431	\$59,942	59%	\$27
February	\$34,427	\$20,066	\$6,503	\$60,996	\$59,942	102%	\$397
March	\$24,991	\$20,739	\$6,706	\$52,436	\$61,946	85%	\$2,371
April							
May							
June							
Total	\$175,386	\$175,627	\$57,136	\$408,149	\$524,744	78%	\$32,292

**CITY OF NORTH POLE
GROUP HEALTH PLAN
ACTUAL COST COMPARED TO MAXIMUM COST
PLAN YEAR: JULY 1, 2010 THROUGH JUNE 30, 2011
Claims in excess of the Specific Stop Loss of \$30,000 EXCLUDED**

<u>Month</u>	<u>Total Paid Health Claims</u>	<u>Stop-Loss</u>	<u>Admin & U/R</u>	<u>Actual Cost</u>	<u>Maximum Cost</u>	<u>SURPLUS (deficit)</u>	<u>Ratio</u>	<u>Amounts Over \$30,000</u>
July	\$51,838	\$18,938	\$5,774	\$76,551	\$62,479	-\$14,072	123%	\$28,009
August	\$9,116	\$18,938	\$5,774	\$33,828	\$62,479	\$28,650	54%	\$439
September	\$1,571	\$18,938	\$5,774	\$26,283	\$62,479	\$36,196	42%	\$27
October	\$14,474	\$18,938	\$5,774	\$39,186	\$62,479	\$23,293	63%	\$91
November	\$14,037	\$19,393	\$5,889	\$39,319	\$63,978	\$24,659	61%	\$418
December	\$16,069	\$19,611	\$5,968	\$41,648	\$64,697	\$23,049	64%	\$512
January	\$8,863	\$20,066	\$6,083	\$35,011	\$66,197	\$31,186	53%	\$27
February	\$34,427	\$20,066	\$6,083	\$60,576	\$66,197	\$5,621	92%	\$397
March	\$24,991	\$20,739	\$6,276	\$52,006	\$68,416	\$16,409	76%	\$2,371
April								
May								
June								
Total	\$175,386	\$175,627	\$53,396	\$404,409	\$579,400	\$174,991	70%	\$32,292

Coverage Underwritten By Great West

**City of North Pole
Group Health Plan
July 1, 2010 to June 30, 2011**



**AUIB Renewal Projection for:
CITY OF NORTH POLE
Effective July 1, 2011**

**Latest 12 Months
April 10 - March 11**

<u>Months</u>	<u>Employees</u>	<u>Med/Rx/Dent/Vis</u>
April	41	31,049
May	41	28,080
June	41	38,389
July	41	51,838
August	41	9,116
September	41	1,571
October	41	14,474
November	41	14,037
December	41	16,069
January	41	8,863
February	42	34,427
March	42	24,991
Total	494	272,904
Monthly Average	41	22,742

**Latest 12 Months
April 09 - March 10**

<u>Employees</u>	<u>Med/Rx/Dent/Vis</u>
43	24,842
42	23,443
42	18,075
42	40,443
43	23,861
42	16,382
42	21,260
42	49,272
42	24,393
41	33,086
41	22,219
41	35,491
503	332,767
42	27,731

Ave. Claims Per EE Per Month Med/Rx/Dent/Vis
552.44

Med/Rx/Dent/Vis
661.56

Weighted Average (M/Rx/DV) 552.44 (.75) + 661.56 (.25) =

Trend 11% Annually over 14 mos

Exp. Clm. Factor (M/Rx/DV)

579.72
1.126
652.76

Projection for 2011 - 2012

Expected Claims \$652.76

Maximum Claims \$783.32
(120% of Exp.)

City of North Pole

July 1, 2011 Renewal

Coverage	Estimated Volume	Rate	Estimated Monthly Cost	Estimated Annual Cost
CIGNA 2010-2011				
Basic EE Life	\$1,025,000	.36 / \$1000	\$369.00	
Basic AD&D	\$1,025,000	.039 / \$1000	\$39.98	
			\$408.98	\$4,907.70
CIGNA 2011-2012				
Basic EE Life	\$1,025,000	.36 / \$1000	\$369.00	
Basic AD&D	\$1,025,000	.039 / \$1000	\$39.98	
			\$408.98	\$4,907.70

City of North Pole

Medical Cost Analysis

			2011-2012 Renewal - CIGNA			
			OPTION 1	OPTION 2	OPTION 3	
July 1, 2011 Renewal	Current - CIGNA 2010-2011		Original Non	Negotiated Grandfathered	Early Renewal Grandfathered	
Specific Stop Loss			\$30,000	\$30,000	\$30,000	\$30,000
Lifetime Maximum			\$1,000,000.00	Unlimited	Unlimited	Unlimited
Administration Fees						
	Single	16	79.48	76.10	76.04	75.44
	Family	25	193.83	197.48	197.29	195.72
Monthly Administration Costs			\$6,117.43	\$6,154.60	\$6,148.89	\$6,100.04
Annual Administration Costs			\$73,409.16	\$73,855.20	\$73,786.68	\$73,200.48
Total Annual Administration Costs			\$73,409.16	\$73,855.20	\$73,786.68	\$73,200.48
Specific Premium						
	Single	16	164.48	230.19	230.19	197.96
	Family	25	503.18	563.96	563.96	485.00
Monthly Specific Premium			\$15,211.18	\$17,782.04	\$17,782.04	\$15,292.36
Annual Specific Premium			\$182,534.16	\$213,384.48	\$213,384.48	\$183,508.32
Aggregate Premium						
	Single	16	53.09	66.14	66.11	64.78
	Family	25	169.73	165.35	165.28	161.97
Monthly Aggregate Premium			\$5,092.69	\$5,191.99	\$5,189.76	\$5,085.73
Annual Aggregate Premium			\$61,112.28	\$62,303.88	\$62,277.12	\$61,028.76
Total Annual Stop Loss			\$243,646.44	\$275,688.36	\$275,661.60	\$244,537.08
Total Annual Fixed Costs						
			\$317,055.60	\$349,543.56	\$349,448.28	\$317,737.56
% Change From Current				10.25%	10.22%	0.22%
Aggregate Claims Factors						
	Single	16	422.20	509.52	508.27	508.27
	Family	25	1352.03	1273.85	1270.79	1270.79
Monthly Aggregate Factors			\$40,555.95	\$39,998.57	\$39,902.07	\$39,902.07
Maximum Claims			\$486,671.40	\$479,982.84	\$478,824.84	\$478,824.84
Expected Claims			\$405,559.50	\$399,985.70	\$399,020.70	\$399,020.70
Total Annualized Expected Costs						
			\$722,615.10	\$749,529.26	\$748,468.98	\$716,758.26
% Change From Current at Exp.				3.72%	3.58%	-0.81%
Total Annualized Maximum Costs						
			\$803,727.00	\$829,526.40	\$828,273.12	\$796,562.40
% Change From Current at Max.				3.21%	3.05%	-0.89%
Monthly Rate						
	Single	16	\$719.25	\$881.95	\$880.61	\$846.45
	Family	25	\$2,218.77	\$0.21	\$2,197.32	\$2,113.48

City of North Pole

Medical Cost Analysis

			2011-2012 Renewal - CIGNA			
			OPTION 1	OPTION 2	OPTION 3	
July 1, 2011 Renewal	Current - CIGNA 2010-2011		Original Non	Negotiated Grandfathered	Early Renewal Grandfathered	
Specific Stop Loss			\$30,000	\$30,000	\$30,000	\$30,000
Lifetime Maximum			\$1,000,000.00	Unlimited	Unlimited	Unlimited
Administration Fees						
	Single	16	79.48	76.10	76.04	75.44
	Family	25	193.83	197.48	197.29	195.72
Monthly Administration Costs			\$6,117.43	\$6,154.60	\$6,148.89	\$6,100.04
Annual Administration Costs			\$73,409.16	\$73,855.20	\$73,786.68	\$73,200.48
Total Annual Administration Costs			\$73,409.16	\$73,855.20	\$73,786.68	\$73,200.48
Specific Premium						
	Single	16	164.48	230.19	230.19	197.96
	Family	25	503.18	563.96	563.96	485.00
Monthly Specific Premium			\$15,211.18	\$17,782.04	\$17,782.04	\$15,292.36
Annual Specific Premium			\$182,534.16	\$213,384.48	\$213,384.48	\$183,508.32
Aggregate Premium						
	Single	16	53.09	66.14	66.11	64.78
	Family	25	169.73	165.35	165.28	161.97
Monthly Aggregate Premium			\$5,092.69	\$5,191.99	\$5,189.76	\$5,085.73
Annual Aggregate Premium			\$61,112.28	\$62,303.88	\$62,277.12	\$61,028.76
Total Annual Stop Loss			\$243,646.44	\$275,688.36	\$275,661.60	\$244,537.08
Total Annual Fixed Costs			\$317,055.60	\$349,543.56	\$349,448.28	\$317,737.56
Administrative Credit				(\$15,000.00)	(\$15,000.00)	(\$15,000.00)
Net Annual Fixed Cost				\$334,543.56	\$334,448.28	\$302,737.56
% Change From Current				5.52%	5.49%	-4.52%
Aggregate Claim Factors						
	Single	16	422.20	509.52	508.27	508.27
	Family	25	1352.03	1273.85	1270.79	1270.79
Monthly Aggregate Factors			\$40,555.95	\$39,998.57	\$39,902.07	\$39,902.07
Maximum Claims			\$486,671.40	\$479,982.84	\$478,824.84	\$478,824.84
Expected Claims			\$405,559.50	\$399,985.70	\$399,020.70	\$399,020.70
				-1.37%	-1.61%	-1.61%
Total Annualized Expected Costs			\$722,615.10	\$734,529.26	\$733,468.98	\$701,758.26
% Change From Current at Exp.				1.65%	1.50%	-2.89%
Total Annualized Maximum Costs			\$803,727.00	\$814,526.40	\$813,273.12	\$781,562.40
% Change From Current at Max.				1.34%	1.19%	-2.76%
Monthly Rate						
	Single	16	\$719.25	\$881.95	\$880.61	\$846.45
	Family	25	\$2,218.77	\$2,200.64	\$2,197.32	\$2,113.48

Exhibit IV

PPACA

Wellness Mandates

ATTACHMENT A

Grade A and B Recommendations of the United States Preventive Services Task Force

- Screening for abdominal aortic aneurysm
- Counseling to reduce alcohol misuse
- Screening for anemia
- Aspirin to prevent CVD in Men
- Aspirin to prevent CVD in Women
- Screening for bacteriuria
- Screening for blood pressure
- Counseling for BRCA screening
- Screening for breast cancer
- Chemoprevention of breast cancer
- Counseling for breast feeding
- Screening for cervical cancer
- Screening for chlamydial infection – non-pregnant women
- Screening for chlamydial infection –pregnant women
- Screening for cholesterol – men 35 & over
- Screening for cholesterol – men under 35
- Screening for cholesterol – women 45 & over
- Screening for cholesterol – Women under 45
- Screening for colorectal cancer
- Chemoprevention of dental caries
- Screening for depression - adults
- Screening for depression – adolescents
- Screening for diabetes
- Counseling for diet
- Supplementation with folic acid
- Screening for gonorrhea – women
- Prophylactic medication for gonorrhea – newborns
- Screening for hearing loss
- Screening for hemoglobinopathies
- Screening for hepatitis B
- Screening for HIV
- Screening for congenital hypothyroidism
- Iron supplementation for children
- Screening and counseling for obesity – adults
- Screening and counseling for obesity – children
- Screening for osteoporosis
- Screening for PKU
- Screening for RH incompatibility – 1st pregnancy visit
- Screening for RH incompatibility – 24 to 28 weeks gestation
- Counseling for STIs
- Counseling for tobacco use – adults
- Counseling for tobacco use – pregnant women
- Screening for syphilis – non-pregnant persons
- Screening for syphilis – pregnant women
- Screening for visual acuity in children

List as of July 16, 2010

ATTACHMENT B

Recommended Immunizations

Compilation of vaccines on all required schedules:

- Hepatitis B
- Rotavirus
- Diphtheria
- Tetanus
- Pertussis
- Haemophilus influenzae Type b
- Pneumococcal
- Inactivated Poliovirus
- Influenza
- Measles
- Mumps
- Rubella
- Varicella
- Hepatitis A
- Meningococcal
- Human Papillomavirus
- Zoster

List as of July 16, 2010

ATTACHMENT C

Recommendations for Preventive Pediatric Care

- History
 - Initial
 - Interval
- Measurements
 - Length
 - Height
 - Weight
 - Head
- Circumference
 - Weight for Length
 - Body Mass Index
 - Blood Pressure
- Sensory Screening
 - Vision
 - Hearing
- Developmental/Behavioral Assessment
 - Developmental Screening
 - Autism Screening
 - Developmental Surveillance
 - Psychosocial/Behavioral Assessment
 - Alcohol and Drug Use Assessment
- Physician Examination
- Procedures
 - Newborn Metabolic/Hemoglobin Screening
 - Immunization
 - Hematocrit or Hemoglobin
 - Lead Screening
 - Tuberculin Test
 - Dyslipidemia Screening
 - STI Screening
 - Cervical Dysplasia Screening
- Oral Health
- Anticipatory Guidance

List as of July 16, 2010

ATTACHMENT D

SACHDNC Recommended Uniform Screening Panel

Core Conditions

- Propionic academia
- Methylmalonic academia (methylmalonyl-CoA mutase)
- Methylmalonic academia (cobalamin disorders)
- Isovaleric academia
- 3-Methylcrotonyl – CoA carboxylase deficiency
- 3-Hydroxy -3-methylglutaric aciduria
- Holocarboxylase synthase deficiency
- β –Ketothiolase deficiency
- Glutaric academia type I
- Carnitine uptake defect/carnitine transport defect
- Medium – chain acyl-CoA dehydrogenase deficiency
- Very long – chain acyl-CoA dehydrogenase deficiency
- Long – chain L-3 hydroxyacyl-CoA dehydrogenase deficiency
- Trifunctional protein deficiency
- Argininosuccinic aciduria
- Citrullinemia, type I
- Maple syrup urine disease
- Homocystinuria
- Classic phenylketonuria
- Tyrosinemia, type I
- Primary congenital hypothyroidism
- Congenital adrenal hyperplasia
- S,S disease (Sickle cell anemia)
- S, β ta-thalassemia
- S,C disease
- Biotinidase deficiency
- Classic galactodemia
- Severe Combined Immunodeficiencies
- Cystic fibrosis
- Hearing loss

List as of July 16, 2010

ATTACHMENT E

SACHDNC Recommended Uniform Screening Panel

Secondary Conditions

- Methylmalonic academia with homocystinuria
- Malonic academia
- Isobutyrylglycinuria
- 2-Methylbutyrylglycinuria
- 3-Methylglutaconic aciduria
- 2-Methyl-3-hydroxybutric aciduria
- Short-chain acyl-CoA dehydrogenase deficiency
- Medium/short-chain L-3-hydroxyacyl-CoA dehydrogenase deficiency
- Glutaric academia type II
- Medium-chain ketoacyl-CoA
- 2,4 Dienoyl-CoA reductase deficiency
- Carnitine palmitoyltransferase type I deficiency
- Carnitine palmitoyltransferase type II deficiency
- Carnitine acylcarnitine translocase deficiency
- Argentinemia
- Citrullinemia, type II
- Hypermethioninemia
- Benign hyperphenylalaninemia
- Biopterin defect in cofactor biosynthesis
- Biopterin defect in cofactor regeneration
- Tyrosinemia, type II
- Tyrosinemia, type III
- Various other hemoglobinopathies
- Galactoepimerase deficiency
- Galactokinase deficiency
- T-cell related lymphocyte deficiencies

List as of July 16, 2010

City of North Pole

Ordinance 11-05

**AN ORDINANCE OF THE CITY OF NORTH POLE, ALASKA TO
AMEND TITLE 13, PUBLIC SERVICES, CHAPTER 13.08,
ADMINISTRATIVE PROVISIONS**

WHEREAS, changes to the public services practices and policies is a continually changing requirement; and

WHEREAS, the City of North Pole Municipal Code should be amended to conform to the requirements of the City.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of North Pole:

Section 1. This ordinance is of a general and permanent nature and shall be codified.

Section 2. Title 13 is amended in the North Pole Code of Ordinances as follows:

Title 13
PUBLIC SERVICES
Chapter 13.08
ADMINISTRATIVE PROVISIONS

13.08.090 Service to areas outside existing assessment districts

- A. To the extent that a property or portion thereof is not levied an assessment from an existing assessment district a tie-in fee shall be charged upon application to the city for connection to a municipally approved or constructed water or sewer main. ~~The tie-in charge shall be the product of an area consisting of two hundred feet, or to the limits of the property boundary, whichever is less, on each side of the water or sewer main serving the parcel, times the proper tie in charge rate. In addition, in the case of a developer-financed water and/or sewer system, the tie in charge shall be two hundred feet each side of the privately financed water and/or sewer mains time the proper tie in charge rate.~~

Section 3. Effective date.

This ordinance shall become effective upon passage and publication.

PASSED AND APPROVED by a duly constituted quorum of the North Pole City Council this 6th day of June 2011.

DOUGLAS W. ISAACSON, Mayor

ATTEST:

KATHRYN M. WEBER, CMC, City Clerk