



CITY OF NORTH POLE *Alaska*

HEALTHCARE WORKSHOP 5:30 P.M. REGULAR CITY COUNCIL MEETING Monday, June 6, 2016

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

MAYOR

Bryce Ward
888-4444

CITY CLERK

Kathy Weber, MMC
488-8583

COUNCIL MEMBERS

Kevin McCarthy- Mayor Pro Tem	590-0800
Preston Smith – Dep Mayor Pro Tem	488-8824
Elizabeth Holm – Alt Dep Mayor Pro Tem	488-6125
Santa Claus	388-3836
Elyse Dawson	520-221-1340
Thomas McGhee	455-0010

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**
Proclamations
Student of the Month – Margaret May, NPHS

7. Council Member Questions of the Mayor

8. Communications from Department Heads, Borough Representative and the City Clerk

9. Ongoing Projects Report

10. Citizens Comments (Limited to Five (5) minutes per Citizen)

11. Old Business.

None

12. New Business

- a. Renewal of the 2016-2017 City of North Pole Healthcare
- b. Ordinance 16-11, an Ordinance amending Title 4, Revenue and Finance, adding Chapter 4.26, Classification of Debtors to the City.
- c. Ordinance 16-12, an Ordinance amending Title 15, Building and Construction, Chapter 15-15-060, Local Amendments to the International Building Code
- d. Ordinance 16-13, an Ordinance of the North Pole City Council amending Chapter 12.04, Obstruction or Alteration of Streets, Road Rights-of-Way, Sidewalks or City Property establishing Permits for Parades and Special Events
- e. Ordinance 16-14, an ordinance of the City of North Pole, Alaska to amend the 2016 Budget to accept funding for economic development in North Pole to include work for the Business Retention and Expansion Project (BR&E)
- f. Resolution 16-05, A Resolution to place an initiative on the October 4, 2016 City of North Pole ballot authorizing the City to incur \$2,000,000 of debt in the form of a low interest Alaska Department of Environmental Conservation (ADEC) loan for the purpose of constructing an extension to the wastewater treatment plant discharge sewer main in response to an ADEC Notice of Violation

13. Executive Session

- a. Discuss legal status of City of North Pole vs. Flint Hills Resources

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 \$10.00 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 16, 2016 in the Council Chambers of City Hall, 125 Snowman Lane, North Pole, Alaska.

CALL TO ORDER/ROLL CALL

Mayor Ward called the regular City Council meeting of Monday, May 16, 2016 to order at 7:02 p.m.

There were present:

Mr. McCarthy – Mayor Pro Tem
Mr. Smith – Deputy Mayor Pro Tem
Ms. Holm – Alt. Deputy Mayor Pro Tem
Ms. Dawson
Mr. McGhee
Mr. Claus
Mayor Ward

Absent/Excused

Excused

PLEDGE OF ALLEGIANCE TO THE U.S. FLAG

Led by Mayor Ward

INVOCATION

Invocation was given by Preston Smith

APPROVAL OF AGENDA

Mr. McGhee moved to Approve the Agenda of May 16, 2016

Seconded by Mr. McCarthy

Mr. McGhee moved to Amend the Agenda to Consent the following items:

Old Business:

- a. Ordinance 16-09, an Ordinance to amend the 2016 budget to authorize the payment of delinquent taxes for the Stillmeyer subdivision property lot B-5 Eagle Estates in order to prevent tax foreclosure by the Fairbanks North Star Borough to protect the City's lien position for assessments for street improvements

New Business

- a. Award contract for Lift Station Rehabilitation Project Phase 3 to Central Environmental Inc in the amount of \$2,160,894

Seconded by Ms. Dawson

Discussion

None

On the Amendment

PASSED

Yes: 6 –McCarthy, McGhee, Dawson, Claus, Smith, Ward

No: 0

Absent: 1 - Holm

On the Agenda as amended

Discussion

None

PASSED

Yes: 6 –McCarthy, McGhee, Dawson, Claus, Smith, Ward

No: 0

Absent: 1 - Holm

APPROVAL OF MINUTES

Mr. Smith *moved to Approve the Minutes of May 2, 2016*

Seconded by Mr. Smith

Discussion

None

PASSED

Yes: 6 –McCarthy, McGhee, Dawson, Claus, Smith, Ward

No: 0

Absent: 1 - Holm

COMMUNICATIONS FROM THE MAYOR

- 4th of July Meetings are ongoing and we are in need of help from the community. The next meeting will be May 23rd here at City Hall at 6pm. The Committee chose a theme for this year's parade and festival. Freedom in Motion!

- Auditors were at City Hall Thursday May 5th, only one council member came to talk to the auditors.
- May 5th the Army Corps of Engineers had a table top on disaster preparedness for issues with the Moose Creek Dam. The scenario was one where the dam failed. They have identified several locations or zones where the dam is most likely to fail and if it did, what would the results be. There would be very little notice of a dam failure and the location of a failure would change the outcome. The Army Corps of Engineers is in the process of creating a public information platform for citizens to get acquainted with the dam and what it means to live below it.
- I had a meeting with a technician who was able to go over the heating system here at City Hall. Unfortunately, the estimated costs are in excess of \$10,000 to repair the system but they are confident that they will be able to give better controls and fix the problems we are having through new programming.

COUNCIL MEMBER QUESTIONS OF THE MAYOR

- None

COMMUNICATIONS FROM DEPARTMENT HEADS, BOROUGH REPRESENTATIVE AND THE CITY CLERK

Police Department, Chief Dutra

- None

Fire Dept., Chief Lane

- None

Finance, Tricia Fogarty

- Attended AGFOA in Denali last week.
- Budget amendments will be on the agenda next week.
- Having problems with the bank reconciliation due to the conversion. As soon as those are cleared up they will be emailed to council members.

Director of City Services, Bill Butler

Building Department

- No new permit applications or permits issued since last Council meeting.

Public Works

- Begun recruiting for summer hires.

- Two former summer hires rehired—workers with experience and good work records.
- Work on summer projects beginning.
 - Routine projects— flowers plantings; clearing gravel along Santa Claus Lane along sidewalks and in drainage ditch; routine grass cutting for parks and grounds; park & trail maintenance; building maintenance; trash/dog waste station pickup; landscape watering; road striping; brush cutting along roads & trails; sidewalk sweeping.
 - Special projects planned for summer—wayfinding signage; clearing along Beaver Springs Slough at City Hall; pedestrian crossing over ditches on Santa Claus Lane (at mall); Fitness Trail signage; signage along Beaver Springs Nature Trail.
- Received match and maintenance agreements for construction of pedestrian path on Homestead Road: \$65,112 (9.03% of construction total).
 - DOT is paying for the design work.
 - Construction not expected until 2017 at earliest.
 - Working with DOT to revise agreement so funding is not due until 2017.

Utility Department

- Lift Station Rehabilitation Project: Phase 3
 - Received two bids.
 - Engineer has reviewed the lowest bidder, Central Environmental, Inc., and found it responsive to invitation to bid requirements.
 - Recommendation to fund the bid is a separate item on tonight’s agenda.
 - Bid amount is lower than expected and provides insurance if there are any unexpected issues and potential “savings” if we encounter no problems.
- Utility received the highest score on this year’s ADEC’s Alaska Clean Water Fund (ACWF) Funding Priority List for our request for a loan for the Sewer Outfall project
 - Eligible for a \$2 million loan and eligible for loan subsidy of up to \$400,000.
 - Steps in process to receive the loan:
 1. Council approves a resolution granting authority to place an item on this fall’s ballot requesting authority to incur the debt.
 2. Inform electorate of the ballot initiative.
 3. Submit ballot initiative to FNSB to place it on the fall 2016 ballot.
 4. On October 4, 2016, electorate vote on ballot initiative.
 5. Council votes to authorize submitting a loan application.
 6. Submit a formal loan application to ADEC.
 7. ADEC approves loan application.
 8. Council votes to accept the debt
 9. Only if the Utility charges expenses to the loan will the Utility accrue debt.

Natural Gas Utility Board

- IGU continues negotiations with ADIEA and gas supplier Salix to secure a gas supply. The directions of the board to the negotiating team are to insist upon the goals that are the basis for IGU's creation:
 1. Cheapest gas as possible--\$15.00 mcf (thousand cubic feet) goal.
 2. As soon as possible.
 3. Delivered to as many people in the Interior as possible.
- Focus is on getting gas to North Pole area and Fairbanks (pipes are in ground in these locations)
- 2018 is the most optimistic date that gas will be available in North Pole.

Mr. McGhee asked about the surveying and yellow flags by the gasline.

Mr. Butler said that there are gas lines installed on private property and

Mr. McGhee asked about the property variance on the FNSB that is too close to property lines.

Mr. Butler said that he has seen it and that it was approved so they could sell that property.

Striping is on DOT's list of projects for 2016.

Mr. Smith said a resident in North Star Subdivision had a problem with the trees that had been cut down and left there.

Mr. Butler said that it was probably left by the gas line contractors.

Mr. Smith said that a resident was upset about the bike path on homestead and if there would be an Open House.

Mr. Butler said that there would be an Open House and the bike path would be on the airport side of the road.

Mr. Smith asked about the outfall.

Mr. Butler said that the grants are passed with the capital budget and he doesn't expect to get any State funding. They have not put a deadline on the project.

Borough Representative

- Ordinance 2016-21: The wood boiler buy out ordinance passed the assembly meeting after extending the meeting to past midnight for public comment and reconvening another day. The ordinance was amended heavily with amendments changing the way the program is implemented. The transfer from the FNSB GF was increased to \$2,700,000, of which will be used to clean up the dirtiest boilers first.
- Ordinance 2016-20: The Borough Budget was passed unanimously, which from what I understand has not happened in a very long time at the Borough. The biggest concern revolved around the school district and how much they were funded at this year and what long term expectations we have for funding education.

City Clerk's Office, Kathy Weber

- Ms. Weber apologized for not notifying the council in a timely manner as to the filing of the APOC forms. There were many things going on at that time and it was overlooked. She has put it on a reoccurring calendar so that won't happen again.
- Thanked Chief Dutra for nominating Glen Weber for APOA Citizen of the Year for his work and helping to organize contractors for the Trooper Gabe Rich and Scott Johnson Park. He was very grateful and humbled that he had been chosen for that prestigious award.
- Still waiting to hear back from Diana Stewart on Survey Monkey for the employee survey. Craig Kestram and Diana Stewart will be here on Monday, June 6th to go over the health plan. Basically there are no new changes. A copy of the renewal is on the dais.
- The meeting of June 6th will start at 5:30 as we will have a workshop on the Healthcare Plan. I will send a notice out to all employees as well.
- The Charter Commission will have its last meeting on May 31, 2016 at 10:00 a.m. Mayor Ward will present his budget proposal at that time. We hope to have something on the agenda for the council at the meeting of June 20th for any proposed changes. Many thanks to the committee members, Denise Taylor, Francie Cork, Sharron Hunter, Aaron Jacobson, and Santa Claus for their time and efforts in this project.
- A registration packet for the 2016 AML Summer Conference in Wasilla, Alaska was on the dais for the council. If you are interested in attending please let the Clerk's office know. Hotel rooms are going fast and will fill up so your reservation should be complete before June 1 as AML has held rooms until that date for a reasonable price. A draft schedule for the conference has been attached.

ONGOING PROJECTS

- None

CITIZENS COMMENTS

- None

NEW BUSINESS

ORDINANCE 16-10, AN ORDINANCE OF THE NORTH POLE CITY COUNCIL AMENDING CHAPTER 12.04, OBSTRUCTION OR ALTERATION OF STREETS, ROAD RIGHTS-OF-WAY, SIDEWALKS OR CITY PROPERTY

Mayor Ward said this is repealing the portion of code that prohibits signage in the streets. It would remove that and delete the issuance of permits. It also removes section A that a violation will constitute a misdemeanor.

Public Comment

Bill Butler encouraged the council not to approve this ordinance as they have tried to make Santa Claus Lane a nice place and bring tourist to our community. This came up because signs were attached to the overpass and were removed. He doesn't want Public Works in the position as to which entity gets to put their sign up in the rights of way. He stated that we have an opportunity to make our community beautiful. D.O.T says that anything in the right of way is trash and should be taken down. He hopes that the council make it a policy in North Pole.

Mr. Smith asked how we would discourage youth groups stay out of there.

Mr. Butler said that the Public Works and the Police have told people to stay out of there and take the signs down.

Goldie Southwood – President Santa's Senior and NPCCC member

Ms. Southwood asked how they were going to be fair to all the groups. Many signs were on the round-about and sidewalks and encouraged council to be fair.

Kathy Weber – encouraged council to not approve the ordinance as she has live here for many years and likes all the improvements that have been made to beautify the City.

Mr. McGhee *moved to* Introduce and Advance Ordinance 16-10, An Ordinance of The North Pole City Council Amending Chapter 12.04, Obstruction or Alteration of Streets, Road Rights-of-Way, Sidewalks or City Property

Seconded by Mr. Claus

Mr. McGhee *moved to* amend by removing the strike out on lines 36 – 37.

Seconded by Mr. Claus

Discussion

Mr. McGhee says the City of Fairbanks has a permit fee for hanging banners across the streets. He agrees with removing the violation but wants to see the signs kept out of the round-about.

On the amendment

PASSED

Yes: 6 – McCarthy, Smith, Dawson, Claus, McGhee, Ward

No: 0

Absent: 1 – Holm

On the main motion as amended

Discussion

Mayor Ward asked if this was the intention of the City to be all rights-of-way or only for the City rights-of-way. He wanted to know what Council's intention was and gave some examples

Mr. Smith asked how that works with people who are campaigning.

Mayor Ward stated that if its on private property there isn't much you can do about it. If its in rights-of-way it is in violation of that code.

Mr. McGhee doesn't want to take away our power of authority to take down the signs. He said that politicians are the biggest violators. There were banners that were hung on the chain link fence on the off ramp and many times there are garage sale signs in the round-about. There will still be people that put signs out on weekends but hopefully they'll get picked up by someone.

Mr. Smith said that by taking that away it takes away the small town feeling.

Mr. McGhee said we aren't going to do away with them. He said that when he places his ad with the Newsminer and gets his sign, it been a long time and under the State employees has an obligation to pick up signs that they see on the roadways.

Ms. Dawson was curious as to what the Mayor thought about it.

Mayor Ward said it is frustrating to not have an outlet for folks to have the opportunity to put signs up on the weekend. When you take down signs for the Chamber, Cruis'n with Santa, North Pole High School, he said that is part of getting the community out. On the other hand there have been cardboard signs, tires, and it looks like junk. He says a one size fits all doesn't fit here and people either call him or Bill Butler complaining why they can't put up a sign. On the other hand we have a state statute. 19.21.05 outside advertising and visible from primary or secondary. He doesn't know what the solution is.

Ms. Dawson asked if there was a way, like Fairbanks, to get approved for it. She said that it was ridiculous for a youth group that does a car wash to not be able to have a sign. She asked if maybe they would be able to have a permit.

Mayor Ward said that it is removing the permit process and having no signs.

Mr. Claus said that there should be a City calendar and encourage some other alternative to get the message out.

Mr. McGhee said that car washes are a one day thing holding signs. Yard sales you'll never get rid of. If we completely remove this then we don't let businesses to eliminate our ability to maintain the cleanliness of the City. The only thing Fairbanks does is banners crossing bridges or streets. If we are going to be fair we can't have the chamber putting up a sign and then not have anyone else.

FAILED

Yes: 1 – Ward

No: 5 – Smith, Dawson, Claus, McGhee, McGhee

Absent: 1 - Holm

COUNCIL COMMENTS

Mr. Smith – congratulated the class of 2016 and said that it was his 39th birthday today. He said it is great to see the neighborhoods growing.

McCarthy – no comment

McGhee – he said that they normally put out bumper stickers to watch out for motorcycles but wants to put out there to watch out for stupid motor cycle riders. Just because its motorcycle season doesn't mean that you can be unsafe. They are being unsafe and he asked to protect yourself by watching out for them.

Dawson – crazy to see how green things are and it seems it just happened overnight. Pollen is bad and her allergies are bad. Hopes everyone has a great night.

Claus – Good to see Ms. Southwood here tonight. It is also his birthday today.

Mayor Ward – have a great night.

ADJOURNMENT

Mr. McGhee *moved to Adjourn the meeting at 8:20 p.m.*

Seconded by Mr. Claus

The regular meeting of May 16, 2016 adjourned at 8:20 p.m.

These minutes passed and approved by a duly constituted quorum of the North Pole City Council on Monday, June 6, 2016.

Bryce J. Ward, Mayor

ATTEST:

Kathryn M. Weber, MMC
North Pole City Clerk

Office of the Mayor
City of North Pole

Proclamation

WHEREAS, Margaret May is a Senior at North Pole High School and is the daughter of Mark & Elizabeth May of North Pole; and

WHEREAS, Margaret is a member of the National Honor Society. She is focused and self-disciplined which makes her a great athlete and an asset to the cross country running team; and

WHEREAS, Margaret received the Gold Key Award and was one of 2,200 of America's most talented teens from the United States who received national recognition and gained access to exhibition and publication opportunities as well as scholarships; and

WHEREAS, Margaret is a member of the Art Club, received the Master of Excellence in Visual Arts 2D and placed 2nd in Mixed Media at the ASAA (Alaska School Activities Association) All State Art Competition; and

WHEREAS, the City of North Pole desires to recognize the outstanding students in the community.

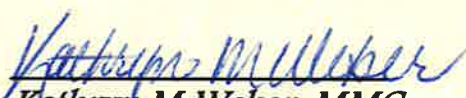
NOW, THEREFORE, I, Bryce J. Ward, Mayor of the City of North Pole, do hereby proclaim Margaret May the:

*North Pole City Council
High School Student of the Month
For May 2016*



Bryce J. Ward, Mayor

ATTEST:



*Kathryn M. Weber, MMC
North Pole City Clerk*





CITY OF NORTH POLE 2016 RENEWAL MEETING

**125 Snowman Lane
North Pole, AK 99705**

May 16, 2016

Presented by:
Craig Kestran
Employee Benefits Manager

Diana Stewart, RHU, CEBS
Sr. Employee Benefits Account Manager

City of North Pole

Agenda

Section I.	General Overview
Section II.	Current Trends in Healthcare
Section III.	PPACA Required Changes
Section IV.	Summary of Current Programs
Section V.	Renewal Presentation
Section VI.	Reports & Exhibits

City of North Pole Attendees:	Alaska USA Insurance Brokers Attendees:
Bryce Ward	Craig Kestran
Kathy Weber	Diana Stewart

Individual	Functional Position
Craig Kestran 907-564-6143 c.kestran@alaskausainsurancebrokers.com	Employee Benefits Manager: Responsible for managing all strategic aspects of client relationship, including planning, plan design, financial evaluation, claims analysis, insurer negotiations and compliance.
Diana Stewart, RHU, CEBS 907-564-6140 djstewart@digitalinsurance.com	Employee Benefits Supervisor: Responsible for analyzing carrier proposals, assisting with the preparation of financial evaluations (renewals) and daily service/policy issues and plan execution.

I. General Overview

Our Commitment to Service

We appreciate the opportunity to work with City of North Pole, and help you meet your insurance and employee benefits objectives. In order to adapt to the changing needs of your organization, Alaska USA Insurance Brokers has invested in top-notch talent and leading-edge technology. We take nothing for granted, and will always work in the best interest of City of North Pole.

Thank you for your business. We look forward to nurturing an ongoing relationship that brings you the best solutions in the business. We will continue to build our relationship through hard work, creativity, and assertiveness that effectively meets the needs of your business.

Alaska USA Insurance Brokers Account Service Team

All Alaska USA Insurance Brokers clients are assigned to a team of specialists who are dedicated to providing a wealth of resources to serve their needs. Our professionals pride themselves on excellent service, and are dedicated to using their experience and expertise to meet our clients' benefits objectives. Your account team's goal is to help City of North Pole save money through proper implementation and management of your benefits programs, and they are committed to anticipating and fulfilling your needs and concerns.

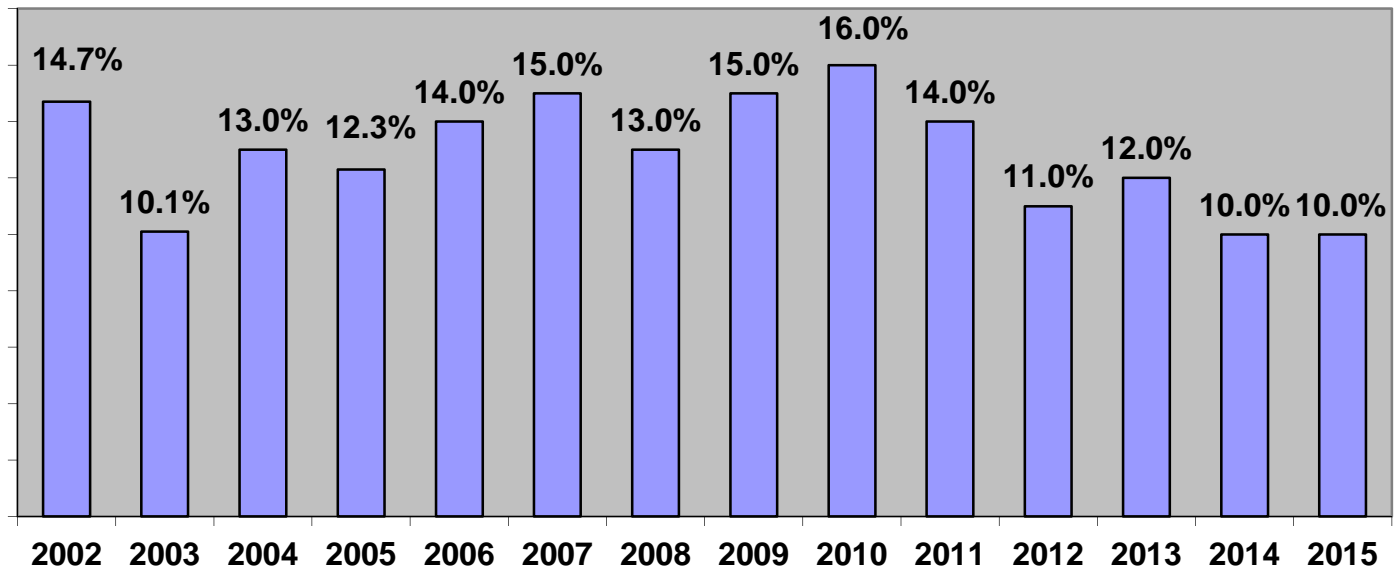
In addition to our own talented professionals and specialized value-added services, Alaska USA Insurance Brokers has a wealth of resources available to us through our national affiliations. The resources available to us through these affiliations let us gain access to regional expertise and market clout.

Final accountability for your programs is the responsibility of Craig Kestran, your lead Advisor. While a number of our professional staff will be active with your account, either on a day-to-day or project-specific basis, Craig is ultimately responsible for meeting your expectations.

II. Current Trends in Healthcare

2002-2015 Trends

This year is expected to be another double digit rate increase. This is the 14th double digit increase in a row.



Cost Drivers:

- Health Care Reform
- Increased incidence of chronic diseases – due to increase in age of the overall population and in part due to unhealthy lifestyle choices.
- Specialty Drugs are creating double digit increases in pharmacy spend as more new drugs receive FDA approval.
- Increase use of technology to treat illnesses.
- Inefficient care – only 55% of all patients receive care in accordance with Best Practices.
- Defensive medicine – additional tests and procedures ordered as precautions.

Cost Saving Considerations:

- Cost shifting:
 - Increase employee contributions
 - Tiered employee contributions – charging employees a percentage of pay, charging employees whose dependents have access to other insurance more than those that do not
 - Offer “Wellness Rebates to offset employee contribution increases
- Change plan designs – especially increasing the prescription drug co-payments to keep pace with prescription drug cost increases.
 - Although minimum changes can be made within a Grandfathered plan, major changes to benefits will cause the loss of Grandfather Status and an overall increase in plan costs.
- Focus on Employee Communications – as the need to implement more drastic cost savings increases, it is critical to engage employees. Comprehensive communications are needed to build awareness of the actual cost of their care, to arm them with decision making tools to help them to be more involved in the course of their medical treatment to improve outcomes, (which reduce cost) and to educate them on the connection between health, prevention, the quality of life and cost.

Other Trends:

Comprehensive Wellness Programs:

- Employer-paid smoking cessation classes
- Smoker/Non-smoker employee medical contributions
- Wellness “rebates” based on participation in an established wellness program
- Third party health advocate to assist employees in managing chronic health conditions
- Incentives for health risk assessments to assist employees in maintaining or improving health conditions year over year

Consumer-Directed Health Plans (CHDs):

CHDs represent a philosophical shift from the traditional managed care programs to one that gives employees greater financial decision-making power. The premise is that making employees more accountable for their healthcare expenses, they will make more informed decisions and reduced healthcare utilization. The benefits of CHDs include:

- When the employee better understands the cost implications, they will make more informed decisions
- The employee communicated better with healthcare providers and share in the decision making process
- The employee demonstrates self-care – seeks how and when to manage their health problems
- Manages one's chronic conditions more closely and takes advantage of disease management programs available
- Practices prevention
- Pursues a healthy lifestyle
- Makes appropriate plan and provider selections
- Seeks healthcare information

CHDs utilized a combination "High Deductible Health Plan" (HDHP) and a Healthcare Savings, Flexible Spending or Health Reimbursement Accounts. Currently a HDHP is defined as:

2015 High Deductible Health Plan (HDHP)		
Type of Coverage	Minimum Annual Deductible	Maximum Annual Out of Pocket Expenses
Individual	\$1,300	\$6,650
Family	\$2,600	\$13,100

These plans can be combined with Flexible Spending accounts or Health Savings accounts.

Except for some preventive care, a HDHP paired with a Health Savings Account may not provide benefits until the deductible for that year is met. Where a HDHP is using a network of providers, the plan does not fail to be an HDHP solely because the deductible and out-of-pocket expense limits for services provided outside the network exceed the amounts listed above. Prescriptions drug co-pays are permissible once the annual deductible has been met.

Because the employee's expenses under this plan are significantly higher than under most traditional plans, adding a Flexible Spending Account (FSA) or other reimbursement account, such as a Health Savings Account (HSA) or Health Reimbursement Account (HRA) is critical. Below is a brief description of these plans:

	HSA	HRA	FSA
Name of Account	Health Savings Account	Health Reimbursement Account	Flexible Spending Account
Who owns the Account?	Individual/Employee	Employer	Individual/Employee
Who may fund the account?	Employer or employee, can be both in the same year Employee can contribute pre-tax dollars through Section 125 plan	Employer Self-employed individuals, including partners, and more than 2% shareholders in a subchapter S-corporation cannot contribute	Employer/employee Typically the employee contributes pre-tax dollars through Section 125 plan
What plans may be offered with the tax-advantage account?	An HDHP as follows: <u>Min. Deductible</u> \$1,300 / \$2,600 F <u>OPM</u> \$6,650 / \$13,100 F	Any health plan	Any or no health plan

Each of these additional programs can be implemented for both fully insured and self funded plans.

III. PPACA – Taxes and Fees

PICORI Fee: Fully Insured & Self Funded Plans. The Fee is based on the average covered lives (including dependents) during the plan year. The fee changes on October 2 each year. The fee is based on covered lives, including dependents. The first year the fee was \$1 and the second year was \$ it will continue to grow from there. The Fee due July 1, 2016 is \$2.08 per life for a total of will be \$156.45.

Reinsurance Fee: Fully Insured & Self Funded Plans. The Reinsurance fee applies to plan years beginning 2014 through 2016. This fee decreases over the three year period. The fee is calculated on the actual number of covered lives each month. The number of insured will be reported to the IRS annually in December each year and billed to the employer in January of the following year. The 2014 first year fee was \$63 per life and the 2015 fee was \$44 per life. The 2016 is \$28 per life and estimated at \$2,122.71.

Health Insurance Transition Fee: Fully Insured Plans Only. This fee continues on an annual basis, increasing annually from a base of 2% to 2.5% of Premium beginning in 2014.

Employer Shared Responsibility Reporting – Forms 1094 & 1095 B&C

Employer reporting under Internal Revenue Code Sections 6055 and 6056 will begin in January 2016 based on 2015 plan enrollment. The Affordable Care Act requires ALE's (Applicable large employers, generally those with 50 or more FTE's), self funded plans and health coverage providers (carriers) to report information about the health coverage they offered or provided during the year to covered employees (full and part-time employees), beginning for coverage offered or provided in 2015.

The IRS will use this information to administer the employer shared responsibility provisions and the premium tax credit. ALE's must provide employees a statement (1095) that includes the same information provided to the IRS.

Cadillac Tax: Now postponed to 2020, is a 40% excise tax on health plans with values exceeding a specific threshold. The thresholds are \$10,200 for individual or \$27,500 for family coverage (indexed to inflation). The excise tax will be assessed on the amount that exceeds the threshold, not the whole value of coverage. 2016-2017 Maximum Costs for the City are approximately \$11,100/ Employee Only & \$27,600/ Family.

The Cadillac Tax on High Cost Coverage does not kick in until 2020 but employers are anticipating its impact now. All employer-sponsored health care plans are potentially subject to this excise tax; there is no exception. Employers do have the flexibility to adjust benefits anywhere between now and 2020 to get the cost below the threshold and avoid the excise tax (though waiting may be inadvisable).

The government has issued notice 2015-16 describing potential approaches for a number of issues under the Cadillac Tax, which could be incorporated in future proposed regulations. Employers can project the problem they will be facing by using their COBRA premiums, which must be computed to reflect the cost of coverage. The ACA imposes the tax on the portion of the annual value of health plan costs for employees that exceed in 2020 the following amounts: \$10,200 for single coverage and \$27,500 for family coverage, with higher amounts for certain retirees and employees in high-risk professions. These thresholds for 2020 will increase if the cost of coverage in a specified option in the Federal Employee Health Benefits Program goes up by more than 55 percent between 2010 and 2020.

Total value is calculated by including both employer and employee premium contributions and any funds put into flexible spending and health savings accounts. According to the law, adjustments to the thresholds can be made for plans with a disproportionate share of women and older workers.

Adjustments to the thresholds

High-cost plans that are more expensive, for example, because they cover a large number of older workers; women; or people in high-risk jobs, such as law enforcement, firefighting, construction, or mining, will have higher thresholds and be protected from any disproportionate impact of the excise tax

Reason for the rule, part of the federal Affordable Care Act, is intended to slow growth in health care spending by cutting down on expensive health plans that proponents say encourage excessive spending on health care. The provision targets plans with the most robust sets of benefits that often require little employee contribution. The tax would likely require employees who previously had this type of plan to pay for more of their own health care, which puts a significant burden on sicker employees who rely on those plans to cover big health expenses.

However, the Cadillac Tax is not based on benefit design, but on cost. The cost basis of this tax is also not limited to the Employer cost, but includes the amounts employees contribute to the plan through Flexible Spending Accounts and Health Savings Accounts to cover their cost share as well as required employee premium contributions.

ALASKA VACCINE ASSESSMENT PLAN (AVAP):

The Alaska Legislature has passed an act that will affect every insured and self-insured group health plan in Alaska. In summary, under the AVAP, the State of Alaska will purchase certain vaccines in bulk and distribute them to medical providers for administration. Under this program the health care provider may not charge the patient for the vaccine but may make a charge for the administration of the vaccine.

However since the AVAP requires the patient to incur a doctor's visit to obtain the vaccine, this act will increase costs to plans.

The AVAP establishes a commission under HSS of 8 members including:

- HSS's chief medical officer for public health or their designee
- 2 licensed health care providers, one of which must be a pediatrician
- 3 members representing licensed health care insurers
- 1 representative of a tribal or public health insurance plan
- The Director of the Department of Insurance or their designee

This commission will be responsible for determining the cost and therefore the assessment to be made each year for each vaccine included under the program. They will also be responsible for collecting data from assessable entities (group health plans) which among other things will be used to collect the assessments (money to pay for the vaccines and the administration of the program) and monitor compliance.

The rates for 2016 under the AVAP to be paid quarterly are:

- \$6.85 per child (participant under 19 years of age)
- \$0.98 per adult (participant 19 years of age or older)

2016 Estimated Vaccine Tax for the City of North Pole is \$3,432.

IV. Summary of Current Programs

	Carrier	Renewal Date
Health	Self Funded - AW Rehn	7/1/16
Dental	Self Funded – AW Rehn	7/1/16
COBRA	AW Rehn	7/1/16
FSA	Eflex Group	1/1/16
Life/AD&D	Lincoln Financial	7/1/16
Short Term Disability	Lincoln Financial	7/1/16
Group Voluntary Life /AD&D	Lincoln Financial	7/1/16

Note: Detailed plan information is located in the Reports & Exhibits section of this report.

V. Renewal Presentation

Life & AD&D

Each year Lincoln reviews;

- Plan Features
- Demographics
- Nature of the Business
- Experience
- Any adjustments needed to the underlying rate structure

Based on this review Lincoln Financial has reviewed the current rate structure and determined that no increase is needed in the Life and Short Term Disability rates charged to your group.

These rates will be guaranteed for 1 year to 7/1/2017.

Coverage	Rate Base	Current rate	Current Monthly Premium	Renewal Rate	Renewal Monthly Premium	Renewal Monthly Premium Change
Life	Per \$1,000	\$ 0.121	\$ 223.85	\$ 0.121	\$ 223.85	\$ 0.00
AD&D	Per \$1,000	\$ 0.045	\$ 83.25	\$ 0.045	\$ 83.25	\$ 0.00
Short Term Disability	Per \$10 of weekly benefit	\$ 0.352	\$ 647.40	\$ 0.352	\$ 647.40	\$ 0.00
Totals			\$ 954.50		\$ 954.50	\$ 0.00

Plan: Life & AD&D
 Carrier: Lincoln Financial
 Renewal Date: 7/1/15

		Benefit
Life	Class I – Full Time Employees	\$50,000
AD&D	Class I – Full Time Employees	\$50,000

Plan: Voluntary Life & AD&D

		Benefit
Life	All Employees working 30+ hrs	5 x annual salary to a maximum of \$500,000 Guaranteed Issue \$100,000
AD&D	All Employees working 30+ hrs	5 x annual salary to a maximum of \$500,000 Guaranteed Issue \$100,000

Plan: Voluntary Short Term Disability

		Benefit
STD	All Employees working 30+ hrs	60% of weekly earning to a maximum benefit of \$500 per week for 52 weeks

MEDICAL PLAN RENEWAL:

FIXED COSTS:

Administration: AW Rehn is proposing a 5% increase in administrative fees for the 2016-2017 plan year with a 2 year rate guarantee through 7/1/2018. The increase is \$0.15 PEPM.

Utilization Review: Medical Rehabilitation Consultants is proposing no increase for the 2016-2017 plan year.

Consulting Fees: Alaska USA Insurance Brokers is proposing an annual increase of 1.4% increasing the annual fee from \$19,644 to \$19,920.

PPACA Fees: are also included in the renewal line items on page 21. The PPACA taxes projected for 2016 when broken down to a per employee fee have dropped from \$9.25 for 2015/2016 to \$4.75 for 2016/2017, this amount includes both the PCORI and Reinsurance Tax. This reduction is a reflection of the Reinsurance Fee dropping from \$44 to \$28 per person. This will be its final year. The PCORI fee continues on and increases annually. The 2016 rate is \$2.08 per person.

Alaska Vaccine Fees: are a new item shown in the renewal line items. Alaska State Legislature passed this new tax in July 2014 and began collecting the tax in February 2015. This will be collected quarterly and is estimated to be \$3,432 annually or \$7.15 PEPM.

Individual Stop Loss Premium: HCC Life has reviewed the plans experience over the last 21 months and has determined that claims have increased slightly higher than expected. Recently 7 claims have exceeded \$20,000.

The plan is utilizing an Aggregating Specific Policy which reduces the annual premium by \$15,000. If no claims exceed the Specific Deductible the plan saves \$15,000 in premium. If claims exceed the Specific Deductible then the plan pays the \$15,000 premium savings in claims before the Individual Stop Loss kicks in.

During this plan year 1 claim has exceeded the \$35,000 Individual Specific Deductible for a total of \$58,587 to date, of which \$8,587 is currently eligible for reimbursement under the Aggregating Specific Policy currently in place. We have been notified this claims is expected to exceed \$80,000 before the plan year end.

Due to the overall increase in claims, the increase in the number of Stop Loss Claims this year and general medical inflation, HCC has offered to renew the Stop Loss Policy with an overall increase of 11.5%. This is an increase of \$2,146 per month or \$25,752 annually.

While this increase is well below a trend of 25%, the increase in the number of large claims will continue to drive this increase higher each year.

Aggregate Stop Loss Premium: HCC has not increased the Aggregate premium from \$18.06 per employee.

These combined changes create an overall increase in fixed costs of 8.8% resulting in a monthly increase of \$1,994.96 and an annual increase of \$23,939.52.

Claim Factors: Although the volume of larger claims has increased in claims this past year HCC has not increased the claim factors for the 2016-2017 plan.

The maximum claim factor is set 25% above expected claims. With the Maximum claims at \$595,940 the expected claims for the plan year are \$476,752.13.

When the claim factors are combined with the Fixed Costs the overall increase to the plan is 2.8% resulting in an annual increase of \$23,940 at Maximum Cost or Expected cost. The total amount of the increase is in the fixed cost portion of the rates.

Claims are currently running at 103% of expected for the 2015-2016 plan year. There are 2 months remaining in the plan year and experience is expected to continue to be high for at least one more month as the large claim has additional charges coming in.

History of claims: The number of large claims and the total dollar volume of claims have grown consistently in each of the last 3 years. For the last 2 years claims have been at or in excess of 100% of expected and 90% of maximum claim factors. At the current rate of inflation the number of large claims will continue to grow each year as those claims just under the Specific Deductible exceed it in future years. As the number of claims exceeding the Specific Deductible increase the premiums also increase.

In order to minimize this growth in premium it is prudent to occasionally increase the Specific Deductible Level to adjust for the rising cost of claims.

In the last 3 years the plan has had 14 claims which have exceeded \$20,000 (slightly over ½ way to the \$35,000 Specific Deductible) and 6 of those claims exceeded the \$35,000 Specific Deductible. At a \$40,000 Specific Deductible that number would be reduced to 4 or 3 at a \$50,000 Specific Deductible.

Alternative Quotes: HCC Life has provided additional quotes for Stop Loss Deductibles of \$40,000 & \$45,000 which would reduce the overall cost increase to \$7,699 or \$6791.76 respectively saving \$17,000 annually in fixed costs, assuming maximum claims.

An increase in the Specific Deductible will reduce fixed costs, and increase the potential claims liability. However the potential \$4,500 increase in claims is less than the premium savings and still results in a decrease in overall costs.

Plan Changes: At the 2015-2016 renewal several plan changes were made to the plan.

Plan Limits	2014-2015 Limit		2015-2016 Limit	
Annual Deductible	\$300 Individual \$900 Family		\$375 Individual \$1,125 Family	
Out of Pocket Limits (included Deductible)	\$3,300 Individual \$9,900 Family		\$4,225 Individual \$12,675 Family	
Pharmacy Copays	Retail	Mail Order	Retail	Mail Order
Generic	\$10	\$20	\$10	\$20
Preferred Brand	\$20	\$40	\$28	\$50
Non Preferred Brand	\$40	\$80	\$50	\$100
Specialty	\$40	N/A	\$50	N/A

Increased Employee Contributions

Contribution Tiers	Current Employee Contribution	New Employee Contribution
Employee Only	\$0	\$45
Dependents	\$100	\$175
Family	\$100	\$220

The combined effect of these changes was estimated to increase employee contributions by \$45,000 and reduced claims \$13,645 annually.

Additional suggestions:

Limit spousal coverage: By limiting spousal coverage to only spouses who do not have employer sponsored coverage available to them the City could limit their claims liability. The City estimates there are 9 spouses currently on the plan who have employer coverage available to them through their own employers.

Require Second Opinions for Elective Surgery: The BridgeHealth Surgery program can be utilized by employees for the second opinion of surgery at no cost. If the employee then utilizes BridgeHealth for the surgery significant savings (30%-40% is realized compared to receiving the services locally).

Smoking Cessation Program: This benefit could be added to the current plan with no change in Grandfather Status. Cost to the plan is estimated to be less than \$10,000 per year, depending on the number of employees engaged.

Summary of Medical, Dental and Vision Benefits

Plan: Medical

TPA: AW Rehn

Renewal Date: 7/1/16

Bolded items reflect changes made 7-1-2015

Benefit	In-Network	Out-of-Network
Deductible	\$375 / \$1,125	\$375 / \$1,125
Out-of-Pocket (Incl. Ded.)	\$4225 / \$12,675	\$4,225 / \$12,675
Lifetime Maximum	Unlimited	Unlimited
Coinsurance	80%	80% Providers 60% Hospital
Preventative Services	100%	100%
Physician Office Visit	80%	80%
Retail Prescriptions Retail	\$10 / \$28/ \$50 /\$50	Member pays 100% at the time of purchase then reimbursed 50% after the applicable co-pay
Mail Order	\$20 / \$50/ \$100	
Urgent Care	80%	80%
Emergency Room	80%	80%
Ambulance	90%	90%
Office Surgery	80%	80%
Outpatient Hospital Serv. <ul style="list-style-type: none"> Outpatient Surgery Anesthesia Requires Pre-Certification Lab & X-Ray based on Facility Network status 	90%	90% Providers 60% Hospital
Inpatient Hospital Serv. <ul style="list-style-type: none"> Anesthesia Requires Pre-Certification Lab & X-Ray based on Facility Network status 	90%	90% Providers 60% Hospital
Outpatient Lab & X-ray	80%	80%
Outpatient Advanced Radiology <ul style="list-style-type: none"> MRI, MRA,PET, CT-Scan & Nuclear Medicine 	80%	80% 60% In patient

Durable Medical Equip.	80%	80%
Skilled Nursing Facility <ul style="list-style-type: none"> 100 visits PCY 	80%	80%
Hospice Care	80%	80%
Home Health Care <ul style="list-style-type: none"> 100 visits PCY 	80%	80%
Organ Transplant	90%	Not Covered

Plan: Dental

Benefit	In or Out of Network
Deductible	\$50 / \$150
Waived For Preventive	YES
Type A Expenses	100%
Type B Expenses	80%
Type C Expenses	50%
Calendar Year Max	\$1,000

Plan: Vision

Benefit	In or Out of Network
Deductible	None
Eye Exams	Plan pays 100% up to \$60
Lenses, Contacts and Frames	Plan pays 100% up to \$120
Benefit Period	24 months

Plan Recommendations:

We recommend you consider raising the Specific Deductible to \$45,000 in order to reduce the number of large claims reported each year. This change results in a net savings to the plan of approximately \$18,000. This will also assist in minimizing future fixed dollar increases caused by medical inflation.

We also recommend you add the smoking cessation benefit to the plan. Reducing the number of smokers on the plan will have a long term effect on claims while improving the health of employees. Healthier employees in turn will reduce employee absenteeism.

Alternative Options:

Lose Grandfather Status

- Cost of employee only contributions can be increased to 9.5% of the lowest wage earners salary. (\$35,000 per year, 9.5% = \$3,325/yr or \$277.08 per month.

With the loss of Grandfather Status you would need to modify the plan to provide all of the required PPACA Changes.

Preventative Care
Essential Health Benefits
Clinical Trials

Women's Health Care
External Independent Claims Review

The increased cost in claims expected the first year is 6% which can be easily offset by plan changes that are not allowed under a Grandfathered Plan design.

Reduce the In-patient coinsurance level to 80% in network
Lowering the Out of Network Coinsurance to 60%
Adding copays for inpatient hospital or ER visits.
Adding an Ambulance Copay

Each of these items increase the employee cost of the plan without having a direct first dollar impact on all employees. Only employees using these services would pay the additional fees.

We have also provided a comparison of several other Self-Funded plans and the AETNA Political Subdivision rates for the last several years.

The AETNA Poli Sub plan offers 4 benefit levels, all are Non Grandfathered, and Plan #1 will be discontinued in July 2017.

VI. Reports & Exhibits

- 2015-2016 Monthly Experience Report
- Renewal Projection
- Large Claims Report
 - 2003-2013 Cigna & IISI
 - 2013-2015 HCC Life
 - HCC and Claims over \$20,000 per year
- Summary of Renewal Options
 - Per employee rates for renewal options
- Comparison of other Alaska Benefit Plans

**CITY OF NORTH POLE
GROUP HEALTH PLAN
ELIGIBILITY REPORT**

PLAN YEAR: JULY 1, 2015 THROUGH JUNE 30, 2016

**PPACA
covered lives**

Month	Single Employees	Employees with Dependents	Total Employees	Total Covered lives
July	12	28	40	101
August	13	27	40	99
September	13	27	40	100
October	13	27	40	100
November	12	27	39	100
December	11	27	38	100
January	12	28	40	106
February	12	29	41	110
March	12	29	41	110
April	12	28	40	104
May				
June				
Total	122	277	399	1030
Average	12	28	40	103

**CITY OF NORTH POLE
GROUP HEALTH PLAN
AVERAGE COST PER EMPLOYEE
PLAN YEAR: JULY 1, 2015 THROUGH JUNE 30, 2016
Claims in excess of the Specific Stop Loss of \$35,000 EXCLUDED**

Month	Med / Vis Claims	Rx Claims	Dental Claims	Total Claims	Stop-Loss Premium	Admin & U/R	Actual Cost	Eligible Employees	Avg Cost Per EE
July	\$18,841	\$4,401	\$2,713	\$25,955	\$20,196	\$2,755	\$48,906	40	1222.66
August	\$15,361	\$6,597	\$1,286	\$23,244	\$19,831	\$2,755	\$45,830	40	1145.76
September	\$22,841	\$1,800	\$2,888	\$27,528	\$19,831	\$2,755	\$50,114	40	1252.85
October	\$20,362	\$9,828	\$1,385	\$31,575	\$19,831	\$2,755	\$54,161	40	1354.03
November	\$27,524	\$9,343	\$6,198	\$43,065	\$19,582	\$2,727	\$65,374	39	1676.25
December	\$53,210	\$10,136	\$2,439	\$65,785	\$19,333	\$2,699	\$87,817	38	2310.98
January	\$26,156	\$3,955	\$4,144	\$34,255	\$20,196	\$2,755	\$57,207	40	1430.16
February	\$32,067	\$8,495	\$3,103	\$43,666	\$20,811	\$2,783	\$67,260	41	1640.48
March	\$62,988	\$7,987	\$5,601	\$76,575	\$20,811	\$2,783	\$100,169	41	2443.15
April	\$46,080	\$9,854	\$2,358	\$58,292	\$20,196	\$2,755	\$81,243	40	2031.09
May									
June									
Total	\$325,431	\$72,396	\$32,114	\$429,941	\$200,619	\$27,522	\$658,082	399	1649.33

**CITY OF NORTH POLE
GROUP HEALTH PLAN
ACTUAL COST COMPARED TO EXPECTED COST
PLAN YEAR: JULY 1, 2015 THROUGH JUNE 30, 2016
Claims in excess of the Specific Stop Loss of \$35,000 EXCLUDED**

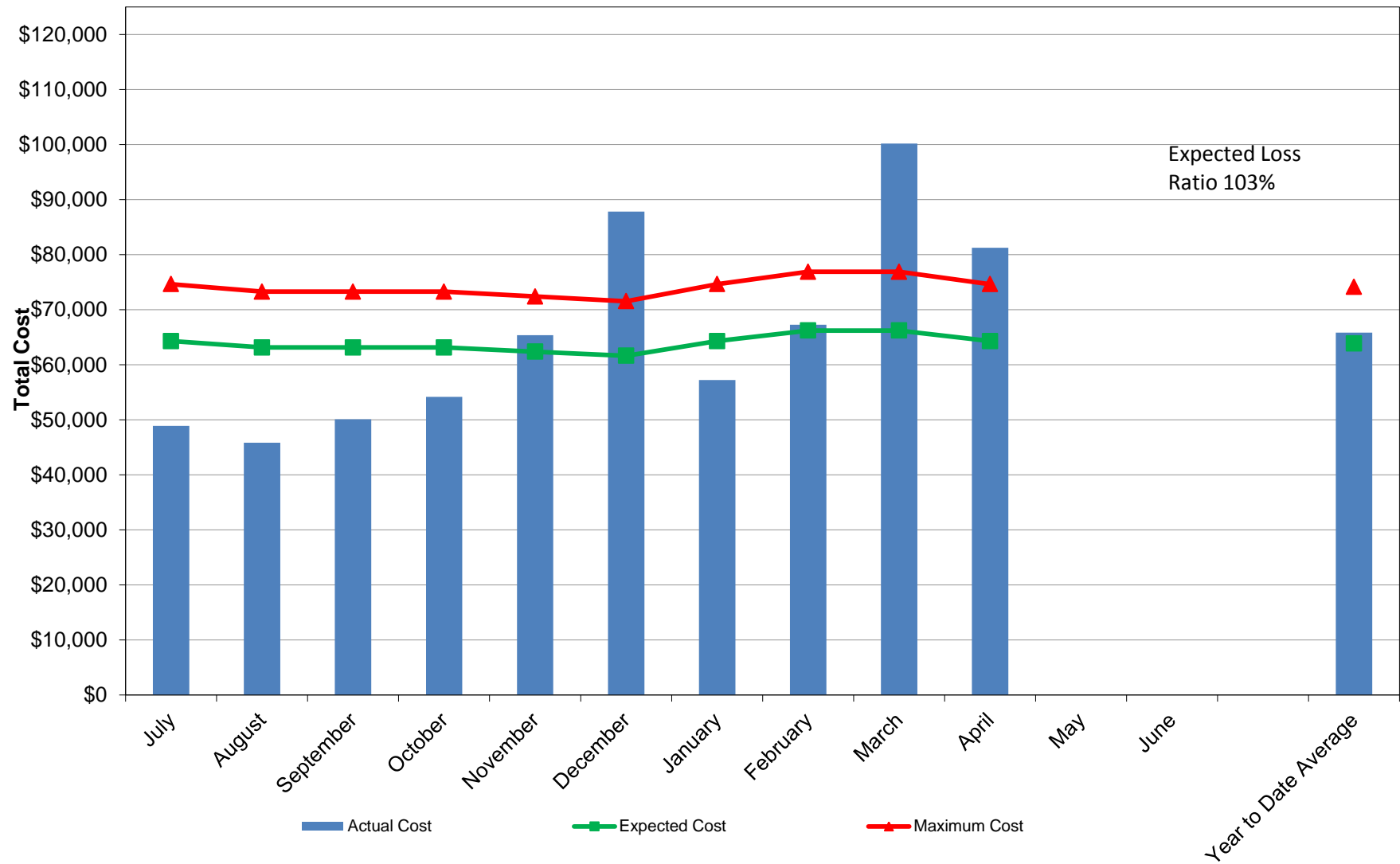
Month	Total Claims	Stop-Loss Premium	Admin & U/R	Actual Cost	Expected Claims	Expected Cost	Loss Ratio	Amounts Over \$35,000
July	\$25,955	\$20,196	\$2,755	\$48,906	\$41,349	\$64,301	76%	\$0
August	\$23,244	\$19,831	\$2,755	\$45,830	\$40,539	\$63,125	73%	\$0
September	\$27,528	\$19,831	\$2,755	\$50,114	\$40,539	\$63,125	79%	\$0
October	\$31,575	\$19,831	\$2,755	\$54,161	\$40,539	\$63,125	86%	\$0
November	\$43,065	\$19,582	\$2,727	\$65,374	\$40,073	\$62,382	105%	\$0
December	\$65,785	\$19,333	\$2,699	\$87,817	\$39,606	\$61,638	142%	\$0
January	\$34,255	\$20,196	\$2,755	\$57,207	\$41,349	\$64,301	89%	\$0
February	\$43,666	\$20,811	\$2,783	\$67,260	\$42,626	\$66,220	102%	\$0
March	\$76,575	\$20,811	\$2,783	\$100,169	\$42,626	\$66,220	151%	\$3,968
April	\$58,292	\$20,196	\$2,755	\$81,243	\$41,349	\$64,301	126%	\$4,619
May								
June								
Total	\$429,941	\$200,619	\$27,522	\$658,082	\$410,596	\$638,737	103%	\$8,587

**CITY OF NORTH POLE
GROUP HEALTH PLAN
ACTUAL COST COMPARED TO MAXIMUM COST
PLAN YEAR: JULY 1, 2015 THROUGH JUNE 30, 2016
Claims in excess of the Specific Stop Loss of \$35,000 EXCLUDED**

Month	Total Paid Health Claims	Stop-Loss	Admin & U/R	Actual Cost	Maximum Claims	Maximum Cost	SURPLUS (deficit)	Ratio	Amounts Over \$35,000
July	\$25,955	\$20,196	\$2,755	\$48,906	\$51,687	\$74,638	\$25,732	66%	\$0
August	\$23,244	\$19,831	\$2,755	\$45,830	\$50,674	\$73,260	\$27,430	63%	\$0
September	\$27,528	\$19,831	\$2,755	\$50,114	\$50,674	\$73,260	\$23,146	68%	\$0
October	\$31,575	\$19,831	\$2,755	\$54,161	\$50,674	\$73,260	\$19,099	74%	\$0
November	\$43,065	\$19,582	\$2,727	\$65,374	\$50,091	\$72,400	\$7,026	90%	\$0
December	\$65,785	\$19,333	\$2,699	\$87,817	\$49,507	\$71,539	-\$16,278	123%	\$0
January	\$34,255	\$20,196	\$2,755	\$57,207	\$51,687	\$74,638	\$17,431	77%	\$0
February	\$43,666	\$20,811	\$2,783	\$67,260	\$53,283	\$76,876	\$9,617	87%	\$0
March	\$76,575	\$20,811	\$2,783	\$100,169	\$53,283	\$76,876	-\$23,293	130%	\$3,968 *
April	\$58,292	\$20,196	\$2,755	\$81,243	\$51,687	\$74,638	-\$6,605	109%	\$4,619
May									
June									
Total	\$429,941	\$200,619	\$27,522	\$658,082	\$513,246	\$741,386	\$83,304	89%	\$8,587

* Claim in excess of \$35,000 Specific Deductible plus \$15,000 Aggregating Specific

**City of North Pole
Group Health Plan
July 1, 2015 to June 30, 2016**



**AUIB Renewal Projection for:
CITY OF NORTH POLE
Effective July 1, 2016**

**Latest 12 Months
May 15 - April 16**

<u>Months</u>	<u>Employees</u>	<u>Med/Rx/Vis</u>	<u>Dental</u>
May	40	25122	1521
June	40	8052	4306
July	40	23242	2713
August	40	21958	1286
September	40	24641	2888
October	40	30190	1385
November	39	36867	6198
December	38	63346	2439
January	40	30111	4144
February	41	40562	3103
March	41	55975	5,601
April	40	55934	2,358
Total	479	416,000	37,942
Monthly Average	40	34,667	3,162

**Latest 12 Months
May 14 - April 15**

<u>Employees</u>	<u>Med/Rx/Vis</u>	<u>Dental</u>
41	30652	3540
41	50722	1680
41	23242	2713
39	34385	1729
37	52974	466
40	20489	1403
40	17778	5106
39	25153	1730
40	30799	1486
41	25064	1173
40	77934	1,332
40	12624	5059
479	401,816	27,417
40	33,485	2,285

	<u>Med/Rx/Vis</u>	<u>Dental</u>
Ave. Claims Per EE Per Month	868.48	79.21
Weighted Average (Med & Rx)	868.48 (.75) + 838.86 (.25) =	
Trend 10% Annually over 14 mos		x 1.116
Exp. Clm. Factor (Med & Rx)		960.96
Weighted Average (Dental)	79.21 (.75) + 57.24 (.25) =	
Trend 6% Annually over 14 mos		x 1.07
Exp. Clm. Factor (Dental)		78.88

	<u>Med/Rx/Vis</u>	<u>Dental</u>
Expected Claims		
	Medical & Rx	960.96
	Dental	78.88
	Total	960.96
Maximum Claims		
(125% of Exp.)	Medical & Rx	1201.20
	Dental	78.88
	Total	1,201.20

Projection for 2016 - 2017

Projected

City of North Pole Large Claims Report

CIGNA	No. of Claims	Med/Rx Claims	Claims Over Specific	Net Claims	Est Spec Premium	Stop Loss Level	
2003 / 2004	2	262,804	119,023	143,781	33,342	25,000	357.0%
2004 / 2005	0	163,936	0	163,936	33,898	25,000	0.0%
2005 / 2006	1	202,966	17,958	185,008	51,296	25,000	35.0%
2006 / 2007	0	123,163	0	123,163	69,169	25,000	0.0%
2007 / 2008	3	226,537	34,732	191,806	116,201	25,000	29.9%
2008 / 2009	1	273,749	28,165	245,584	193,915	30,000	14.5%
2009/2010	1	431,722	67,465	364,257	209,420	30,000	32.2%
2010/2011	2	250,529	32,617	217,912	236,321	30,000	13.8%
2011/2012	2	457,805	230,882	226,923	245,509	30,000	94.0%
2012/2013	1	\$98,180	\$0	\$98,180	\$0	\$35,000	Runout Claims
IISI							
2012/2013	2	\$384,809	\$214,066	\$170,743	\$200,769	\$35,000	106.6% 1 Laser at \$100,000
HCC Life							
2013-2014	1	\$376,063	\$6,148	\$369,915	\$217,173	\$35,000	2.8%
2014-2015	4	\$353,615	\$52,269	\$301,346	\$214,236	\$35,000	24.4%
2015-2016 YTD	1	\$382,827	\$8,587	\$374,240	\$200,619	\$35,000	4.3%
<hr/>							
TOTAL	14 years	3,988,705	811,912	3,176,793	2,021,869		40.2%

1.4 Average Spec Claims per year

City of North Pole Large Claims Report

Plan Year	SL Claims	Specific SL Limit	Claims in Excess of SL	Stop Loss Premium	Loss Ratio	Agg Specific	Employer Claim Cost	Premium Savings	Loss Ratio
2013-2014	1	\$35,000	\$6,148	\$217,173	3%	\$15,000	\$15,000	\$0	100%
2014-2015	4	\$35,000	\$52,269	\$214,236	24%	\$15,000	\$15,000	\$0	100%
2015-2016 YTD	1	\$35,000	\$8,587	\$200,619	4%	\$15,000	\$15,000	\$0	100%
Totals	6		\$67,004	\$632,028	11%	\$45,000	\$45,000	\$0	0%

		Claims in Execss of \$20,000	Claims in Execss of \$30,000	Claims in Execss of \$40,000	Claims in Execss of \$50,000
2013-2014	2	\$76,269	\$56,148	\$56,148	\$56,148
		2	1	1	1
2014-2015	5	\$229,071	\$207,269	\$130,054	\$80,206
		5	4	2	1
2015-2016	7	\$213,324	\$93,089	\$58,587	\$58,587
		7	2	1	1
3 Year Total	14	\$518,664	\$356,506	\$244,789	\$194,941
		14	7	4	3

City of North Pole
Actual Claims Paid -vs - Maximum Claims

	Actual Claims Paid	Expected Claims Factor	Loss Ratio	Maximum Claims Factor	Loss Ratio
2009/2010	\$364,257	\$332,749	109.5%	\$399,290	91.2%
2010/2011	\$274,555	\$393,019	69.9%	\$471,626	58.2%
2011/2012	\$457,805	\$401,226	114.1%	\$481,472	95.1%
2012/2013 Incl Cigna Runout	\$510,323	\$503,111	101.4%	\$600,650	85.0%
2013-2014	\$407,921	\$473,195	86.2%	\$591,495	69.0%
2014-2015	\$393,639	\$425,065	92.6%	\$531,332	74.1%
2015-2016 (10 mo YTD)	\$429,941	\$410,596	104.7%	\$513,246	83.8%
TOTAL	2,838,441	2,938,961	96.6%	3,589,110	79.1%

City of North Pole 2016-2017 Renewal

		HCC Life	HCC Life		HCC Life		HCC Life	
Aggregating Secific \$15,000		\$35,000 Specific	\$35,000 Spec		\$40,000 Spec		\$45,000 Spec	
		2015-2016 Agg Specific	2016-2017	Chg	2016-2017	Chg	2016-2017	Chg
Total Monthly Admin Fee		\$ 3,125.00	\$ 2,974.00	-4.8%	\$ 2,974.00	-4.8%	\$ 2,974.00	-4.8%
Specific Premium		\$ 18,713.40	\$ 20,859.36	11.5%	\$ 19,374.64	3.5%	\$ 18,183.12	-2.8%
Aggregate Premium		\$ 752.40	\$ 752.40	0.0%	\$ 765.60	1.8%	\$ 770.00	2.3%
Total Monthly Fixed Costs		\$ 22,590.80	\$ 24,585.76	8.8%	\$ 23,114.24	2.3%	\$ 21,927.12	-2.9%
Maximum Monthly Claims Cost		\$ 49,661.68	\$ 49,661.68	0.0%	\$ 49,779.84	0.2%	\$ 50,891.34	2.5%
TOTAL MONTHLY Maximum Cost		\$ 72,252.48	\$ 74,247.44	2.8%	\$ 72,894.08	0.9%	\$ 72,818.46	0.8%
TOTAL ANNUAL Maximum Cost		\$ 867,029.76	\$ 890,969.28		\$ 874,728.96		\$ 873,821.52	
TOTAL MONTHLY Expected Cost		\$ 62,320.14	\$ 64,315.10	3.2%	\$ 62,938.11	1.0%	\$ 62,640.19	0.5%
TOTAL ANNUAL Expected Cost		\$ 747,841.73	\$ 771,781.25		\$ 755,257.34		\$ 751,682.30	

Total Increase (Maximum Cost)	\$ 23,939.52	\$ 7,699.20	\$ 6,791.76
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Cost Per Employee Per Month

Employee	\$	901.51	\$	931.73	\$	921.53	\$	921.05
Family	\$	2,279.29	\$	2,353.97	\$	2,307.41	\$	2,304.76

**City of North Pole
2016-2017 Renewal**

		HCC Life	HCC Life		HCC Life		HCC Life	
Aggregating Secific \$15,000		\$35,000 Specific	\$35,000 Spec		\$40,000 Spec		\$45,000 Spec	
		2015-2016 Agg Specific	2016-2017	Chg	2016-2017	Chg	2016-2017	Chg
Administrative Fee								
AW Rehn	40	\$ 27.95	\$ 28.10	0.5%	\$ 28.10	0.5%	\$ 28.10	0.5%
AUIB (\$1660/mo 7/1/16)	40	\$ 40.93	\$ 41.50	1.4%	\$ 41.50	1.4%	\$ 41.50	1.4%
PPACA Fees	40	\$ 9.25	\$ 4.75		\$ 4.75		\$ 4.75	
Total Monthly Admin Fee		\$ 3,125.00	\$ 2,974.00	-4.8%	\$ 2,974.00	-4.8%	\$ 2,974.00	-4.8%
Specific Premium								
Employee Only	14	\$ 230.39	\$ 255.14	10.7%	\$ 234.74	1.9%	\$ 218.94	-5.0%
Family	26	\$ 595.69	\$ 664.90	11.6%	\$ 618.78	3.9%	\$ 581.46	-2.4%
Total Monthly Stop Loss Premium		\$ 18,713.40	\$ 20,859.36	11.5%	\$ 19,374.64	3.5%	\$ 18,183.12	-2.8%
Aggregate Premium								
Employee Only	40	\$ 18.81	\$ 18.81	0.0%	\$ 19.14	1.8%	\$ 19.25	2.3%
Total Monthly Aggregate Premium		\$ 752.40	\$ 752.40	0.0%	\$ 765.60	1.8%	\$ 770.00	2.3%
Total Monthly Fixed Costs		\$ 22,590.80	\$ 24,585.76	8.8%	\$ 23,114.24	2.3%	\$ 21,927.12	-2.9%
Total Annual Fixed Costs		\$ 271,089.60	\$ 295,029.12		\$ 277,370.88		\$ 263,125.44	

2016-2017 Renewal

		HCC Life	HCC Life		HCC Life		HCC Life	
Aggregating Secific \$15,000		\$35,000 Specific	\$35,000 Spec		\$40,000 Spec		\$45,000 Spec	
		2015-2016 Agg Specific	2016-2017	Chg	2016-2017	Chg	2016-2017	Chg
Claim Factors								
Employee Only	14	\$ 583.43	\$ 583.43	0.0%	\$ 593.30	1.7%	\$ 608.51	4.3%
Family	26	\$ 1,595.91	\$ 1,595.91	0.0%	\$ 1,595.14	0.0%	\$ 1,629.70	2.1%
Maximum Monthly Claims Cost		\$ 49,661.68	\$ 49,661.68	0.0%	\$ 49,779.84	0.2%	\$ 50,891.34	2.5%
		\$ 595,940.16	\$ 595,940.16		\$ 597,358.08		\$ 610,696.08	
TOTAL MONTHLY Maximum Cost		\$ 72,252.48	\$ 74,247.44	2.8%	\$ 72,894.08	0.9%	\$ 72,818.46	0.8%
TOTAL ANNUAL Maximum Cost		\$ 867,029.76	\$ 890,969.28		\$ 874,728.96		\$ 873,821.52	
TOTAL MONTHLY Expected Cost		\$ 62,320.14	\$ 64,315.10	3.2%	\$ 62,938.11	1.0%	\$ 62,640.19	0.5%
TOTAL ANNUAL Expected Cost		\$ 747,841.73	\$ 771,781.25		\$ 755,257.34		\$ 751,682.30	

Total Increase (Maximum Cost)

\$ 23,939.52

\$ 7,699.20

\$ 6,791.76

Cost Per Employee Per Month

Employee

\$ 901.51

\$ 931.73

\$ 921.53

\$ 921.05

Family

\$ 2,279.29

\$ 2,353.97

\$ 2,307.41

\$ 2,304.76

AETNA POLI SUB PLANS

	Plan I		Plan II		Plan III		Plan IV	
COST SHARING OPTIONS (PCY = Per Calendar Year)	IN-NETWORK	OUT-OF-NETWORK (subject to U&C)	IN-NETWORK	OUT-OF-NETWORK (subject to U&C)	IN-NETWORK	OUT-OF-NETWORK (subject to U&C)	IN-NETWORK	OUT-OF-NETWORK (subject to U&C)
Individual/Family Deductible PCY	\$250 / \$750		\$500 / \$1,500		\$750 / \$2,250		\$2,000 / \$4,000	
Per Confinement Deductible	None	\$500 Per Occurance	None	\$500 Per Occurance	None	\$500 Per Occurance	None	\$500 Per Occurance
Individual/Family Out-of-Pocket Maximum PCY (Deductible + Coinsurance)	\$750 / \$1,500		\$1,500 / \$3,500		\$2,750 / \$6,250		\$3,000 / \$6,000	
Pre-Authorization Penalty	None		None		None		None	
PREVENTIVE SERVICES	IN-NETWORK	OUT-OF-NETWORK (subject to U&C)	IN-NETWORK	OUT-OF-NETWORK (subject to U&C)	IN-NETWORK	OUT-OF-NETWORK (subject to U&C)	IN-NETWORK	OUT-OF-NETWORK (subject to U&C)
Office Visit - Well Adult (19 yrs or over) One (1) visit PCY	100% Deductible Waived	100% Deductible Waived (Subject to U&C)	100% Deductible Waived	100% Deductible Waived (Subject to U&C)	100% Deductible Waived	100% Deductible Waived	100% Deductible Waived (Subject to U&C)	100% Deductible Waived (Subject to U&C)
Office Visit - Well Child (2 yrs through 18 yrs) One (1) visit PCY								
Office Visit - Well Baby (newborn through 24 months) Six (6) visit PCY								
Routine Mammogram One (1) PCY - Age 40 and over								
Colorectal Screening One (1) PCY - Age 40 and over								
Pelvice Exam/PAP One (1) PCY - Age 16 and over								
Prostate Exam & Lab Work One (1) PCY - Age 40 and over								
Womens Health Care (ACA Required)	100% deductible Waived		100% deductible Waived		100% deductible Waived		100% deductible Waived	

OTHER COVERED SERVICES								
PROFESSIONAL CARE	INNw	OONw	INNw	OONw	INNw	OONw	INNw	OONw
Professional Office Visit	\$10 copay + 90% after deductible		\$10 copay + 80% after deductible		\$10 copay + 80% after deductible		80% after deductible	
Outpatient Professional Services (Professional Hospital Care)	\$10 copay + 90% after deductible		\$10 copay + 80% after deductible		\$10 copay + 80% after deductible		80% after deductible	
Chiropractic Care	\$10 copay + 90% after deductible		\$10 copay + 80% after deductible		\$10 copay + 80% after deductible		80% after deductible (25 Visits)	
Hearing Care	80% after deductible (max \$800 per 3 years)		80% after deductible (max \$800 per 3 years)		80% after deductible (max \$800 per 3 years)		80% after deductible (max \$800 per 3 years)	
Inpatient Professional Services (Includes Mental Health Conditions, Chemical Dependency Inpatient Treatment and Inpatient Surgery.)	90% after deductible	70% after deductible	80% after deductible	60% after deductible	80% after deductible	60% after deductible	80% after deductible	60% after deductible
PATHOLOGY AND DIAGNOSTIC SERVICES								
Inpatient Hospital X-rays and Lab Tests	90% after deductible	70% after deductible	80% after deductible	60% after deductible	80% after deductible	60% after deductible	80% after deductible	
Outpatient X-rays and Lab Tests	\$10 copay + 90% after deductible		\$10 copay + 80% after deductible		\$10 copay + 80% after deductible		80% after deductible	
RADIOLOGY - Outpatient								
CT Scan, MRI/MRA, PET Scan, Other Imaging	\$10 copay + 90% after deductible		\$10 copay + 80% after deductible		\$10 copay + 80% after deductible		80% after deductible	
Mammography (non-preventive)	\$10 copay + 90% after deductible		\$10 copay + 80% after deductible		\$10 copay + 80% after deductible		80% after deductible	
URGENT / EMERGENT CARE								
Urgent Care	\$10 copay +90% after deductible		80% after deductible		80% after deductible		80% after deductible	
Emergency Room Facility	90% after deductible (50% Non Emergency Services)		80% after deductible (50% Non Emergency Services)		80% after deductible (50% Non Emergency Services)		80% after deductible (50% Non Emergency Services)	
Emergency Room Professional Services	90% after deductible		80% after deductible		80% after deductible		80% after deductible	
Ambulance Transportation (Air & Ground)	90% after deductible		80% after deductible		80% after deductible		80% after deductible	

FACILITY CARE	INNW	OONW	INNW	OONW	INNW	OONW	INNW	OONW
Inpatient Facility Care	90% after deductible	\$500 per confinement Copay +70% after deductible	80% after deductible	\$500 per confinement Copay +60% after deductible	80% after deductible	\$500 per confinement Copay +60% after deductible	80% after deductible	\$500 per confinement Copay +60% after deductible
Outpatient Facility Care	90% after deductible	70% after deductible	80% after deductible	60% after deductible	80% after deductible	60% after deductible	80% after deductible	60% after deductible
Skilled Nursing Facility	90% after deductible (120 days)		80% after deductible (120 days)		80% after deductible (120 days)		80% after deductible (120 days)	
MATERNITY								
Maternity Inpatient	90% After Deductible	\$500 per confinement Copay +70% after deductible	80% after deductible	\$500 per confinement Copay +60% after deductible	80% after deductible	60% after deductible	80% after deductible	\$500 per confinement copay + 60% after deductible
Maternity Outpatient	90% After Deductible		80% after deductible	60% after deductible	80% after deductible	60% after deductible	80% after deductible	60% after deductible
Maternity Ultrasound	90% After Deductible		80% after deductible		80% after deductible		80% after deductible	
OTHER SERVICES								
Mental Health Inpatient	90% After Deductible	\$500 per confinement Copay +70% after deductible	80% after deductible	\$500 per confinement Copay +60% after deductible	80% after deductible	60% after deductible	80% after deductible	\$500 per confinement copay + 60% after deductible
Mental Health Outpatient - Office Visit	90% After Deductible		80% after deductible		80% after deductible		80% after deductible	
Mental Health Outpatient - Facility	90% After Deductible	70% After Deductible	80% after deductible	60% after deductible	80% after deductible	60% after deductible	80% after deductible	60% after deductible
Chemical Dependency Inpatient	90% After Deductible	\$500 per confinement Copay +70% after deductible	80% after deductible	\$500 per confinement Copay +60% after deductible	80% after deductible	60% after deductible	80% after deductible	\$500 per confinement copay + 60% after deductible
Chemical Dependency Outpatient - Office Visit	90% After Deductible		80% after deductible		80% after deductible		80% after deductible	
Chemical Dependency Outpatient - Facility	90% After Deductible	70% After Deductible	80% after deductible	60% after deductible	80% after deductible	60% after deductible	80% after deductible	60% after deductible

Rehabilitation Inpatient (Includes Neurodevelopmental and Physical)	90% After Deductible	70% After Deductible	80% after deductible	\$500 per confinement Copay +60% after deductible	80% after deductible	60% after deductible	80% after deductible	\$500 per confinement Copay +60% after deductible
Rehabilitation Outpatient - Office Visit (Includes Neurodevelopmental and Physical)	90% After Deductible		80% after deductible		80% after deductible		80% after deductible	
Rehabilitation Outpatient - Facility (Includes Neurodevelopmental and Physical)	90% After Deductible		80% after deductible		80% after deductible		80% after deductible	
Durable Medical Equipment	90% After Deductible		80% after deductible		80% after deductible		80% after deductible (\$10,000 PCY)	
Orthotics	90% After Deductible		80% after deductible		80% after deductible		80% after deductible	
Home Health Care	90% After Deductible (60 Visits)		80% after deductible (60 visits)		80% after deductible (60 visits)		80% after deductible (60 visits)	
Hospice Care (Life Expectancy is six (6) months or less)	90% After Deductible		80% after deductible		80% after deductible		80% after deductible	
Transplants	90% After Deductible	\$500 per confinement Copay +70% after deductible	80% After Deductible	\$500 per confinement copay + 60% after deductible	80% After Deductible	Not Covered	80% After Deductible	\$500 per confinement copay + 60% after deductible
Transplants - Donor Cost	90% (Max \$20,000)		80% (Max \$20,000)	Not Covered	80% (Max \$20,000)	Not Covered	80% (Max \$20,000)	Not Covered
Transplants - Transportation	90% After Deductible		80% After Deductible	Not Covered	80% After Deductible	Not Covered	80% After Deductible	Not Covered

PHARMACY								
Individual/Family Deductible PCY	None		\$50 Indiv / \$ 150 Fam		\$50 Indiv / \$ 150 Fam		Combined with Medical	
Retail Pharmacy Up to 30 day supply	\$0 / \$15 or 20% / \$30 or 30%	80% of recognized charge	\$0 / \$15 or 20% / \$30 or 30%	80% of recognized charge	\$0 / \$15 or 20% / \$30 or 30%	80% of recognized charge	\$10 / \$20 / \$35	80% of recognized charge
Mail Order 90-day supply	\$10 / \$30 / \$30	Not Covered	\$10 / \$30 / \$30	Not Covered	\$10 / \$30 / \$30	Not Covered	\$20 / \$50 / \$100	Not Covered
Oral Contraceptives	100% deductible waived		100% deductible waived		100% deductible waived		100% deductible waived	
Preventive RX (ACA Required)	100% deductible waived		100% deductible waived		100% deductible waived		100% deductible waived	
VISION								
Individual/Family Deductible PCY	None		None		None		None	
Frames	80% per 24 Months		80% per 24 Months		80% per 24 Months		Not Covered	
Leses	80% per 12 Months		80% per 12 Months		80% per 12 Months			
Contacts	In lieu of glasses		In lieu of glasses		In lieu of glasses			
Exam	80% per 12 Months		80% per 12 Months		80% per 12 Months		100% (per 12 mo.)	
DENTAL								
Individual/Family Deductible PCY	\$50		\$50		\$50		\$50	
Benefit Maximum PCY	\$1,500 per participant		\$1,500 per participant		\$1,500 per participant		\$1,500 per participant	
Preventive Care	80% Deductible Waived		80% Deductible Waived		80% Deductible Waived		80% Deductible Waived	
Basic Care	80% After Deductible		80% After Deductible		80% After Deductible		80% After Deductible	
Major Care	50% After Deductible		50% After Deductible		50% After Deductible		50% After Deductible	
TMJ	Not covered		Not covered		Not covered		Not covered	
Orthodontia	Not covered		Not covered		Not covered		Not covered	

Pre-Certification is required, but not limited, to the following services:

Air Ambulance, when used for Non-Emergency Medical Conditions Diagnostic Imaging such as CT Scans, PET Scans, MRAs, MRIs, IVPs, etc. Genetic testing Home Health Care Services Hospice Care I/V Therapy Inpatient Hospitalizations Inpatient Surgical Procedures Orthotics and Prosthetics over \$500.00 Outpatient Surgical Procedures Physical and Occupational Therapies Purchase of Durable Medical Equipment costing \$1,000 or more Renal Dialysis Rental of Durable Medical Equipment with purchase value of \$3,000 or more Skilled Nursing and Rehabilitation Facility Services Transplant Evaluations Travel	Air Ambulance, when used for Non-Emergency Medical Conditions Diagnostic Imaging such as CT Scans, PET Scans, MRAs, MRIs, IVPs, etc. Genetic testing Home Health Care Services Hospice Care I/V Therapy Inpatient Hospitalizations Inpatient Surgical Procedures Orthotics and Prosthetics over \$500.00 Outpatient Surgical Procedures Physical and Occupational Therapies Purchase of Durable Medical Equipment costing \$1,000 or more Renal Dialysis Rental of Durable Medical Equipment with purchase value of \$3,000 or more Skilled Nursing and Rehabilitation Facility Services Transplant Evaluations Travel	Air Ambulance, when used for Non-Emergency Medical Conditions Diagnostic Imaging such as CT Scans, PET Scans, MRAs, MRIs, IVPs, etc. Genetic testing Home Health Care Services Hospice Care I/V Therapy Inpatient Hospitalizations Inpatient Surgical Procedures Orthotics and Prosthetics over \$500.00 Outpatient Surgical Procedures Physical and Occupational Therapies Purchase of Durable Medical Equipment costing \$1,000 or more Renal Dialysis Rental of Durable Medical Equipment with purchase value of \$3,000 or more Skilled Nursing and Rehabilitation Facility Services Transplant Evaluations Travel	Air Ambulance, when used for Non-Emergency Medical Conditions Diagnostic Imaging such as CT Scans, PET Scans, MRAs, MRIs, IVPs, etc. Genetic testing Home Health Care Services Hospice Care I/V Therapy Inpatient Hospitalizations Inpatient Surgical Procedures Orthotics and Prosthetics over \$500.00 Outpatient Surgical Procedures Physical and Occupational Therapies Purchase of Durable Medical Equipment costing \$1,000 or more Renal Dialysis Rental of Durable Medical Equipment with purchase value of \$3,000 or more Skilled Nursing and Rehabilitation Facility Services Transplant Evaluations Travel
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7/1/2016 Renewal	Plan I	Plan II	Plan III	Plan IV
Employee Only	\$1,683.79	\$1,271.42	\$998.73	\$690.61
Employee & Spouse	\$3,119.87	\$2,356.63	\$1,912.49	\$1,322.91
Employee & Children	\$3,763.63	\$2,862.16	\$2,327.66	\$1,591.57
Family	\$5,220.24	\$3,946.63	\$3,241.15	\$2,223.55

7/1/2015 Renewal	Plan I	Plan II	Plan III	Plan IV
Employee Only	\$1,546.47	\$1,168.15	\$917.97	\$635.29
Employee & Spouse	\$2,865.54	\$2,165.33	\$1,757.86	\$1,216.96
Employee & Children	\$3,456.08	\$2,629.03	\$2,138.69	\$1,463.65
Family	\$4,793.99	\$2,625.54	\$2,978.31	\$2,044.73

7/1/2014 Renewal	Plan I	Plan II	Plan III	Plan IV
Employee Only	\$1,558.15	\$1,179.83	\$929.65	\$647.97
Employee & Spouse	\$2,888.06	\$2,187.85	\$1,780.38	\$1,239.48
Employee & Children	\$3,478.09	\$2,651.04	\$2,160.70	\$1,485.36
Family	\$4,826.81	\$3,658.36	\$3,011.13	\$2,077.55

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	Valdez City Schools		NWABSD		City of Seward		City of North Pole	
COST SHARING OPTIONS (PCY = Per Calendar Year)	IN-NETWORK	OUT-OF-NETWORK (subject to U&C)	IN-NETWORK	OUT-OF-NETWORK (subject to U&C)	IN-NETWORK	OUT-OF-NETWORK (subject to U&C)	IN-NETWORK	OUT-OF-NETWORK (subject to U&C)
Individual/Family Deductible PCY	\$100 / \$300		\$50 / \$150	\$200/\$500	\$250 / \$500		\$375 / \$1,125	
Per Confinement Deductible	None		None		Inpatient Hospital \$50 / ER Services \$25		None	\$250
Individual/Family Out-of-Pocket Maximum PCY (Deductible + Coinsurance)	\$588 Per Individual		\$1,500 / \$3000	\$4,000 / \$8000	\$2,250 / \$4,500	\$6,250/ \$12,500	\$4,225 / \$12,675	
Pre-Authorization Penalty			50% per occurrence				\$250 <i>(per claim)</i>	
PREVENTIVE SERVICES								
Office Visit - Well Adult (19 yrs or over) One (1) visit PCY	90% Deductible Waived	90% Deductible Waived (Subject to U&C)	100% Deductible Waived	100% Deductible Waived (Subject to U&C)	80% Deductible Waived	80% Deductible Waived	90% Deductible Waived	90% Deductible Waived (Subject to U&C)
Office Visit - Well Child (2 yrs through 18 yrs) One (1) visit PCY								
Office Visit - Well Baby (newborn through 24 months) Six (6) visit PCY								
Routine Mammogram One (1) PCY - Age 40 and over								
Colorectal Screening One (1) PCY - Age 40 and over								
Pelvice Exam/PAP One (1) PCY - Age 16 and over								
Prostate Exam & Lab Work One (1) PCY - Age 40 and over								

Womens Health Care (ACA Required)	N/A Grandfathered Plan	100% deductible Waived	100% deductible Waived	100% deductible Waived
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OTHER COVERED SERVICES								
PROFESSIONAL CARE	INNw	OONw	INNw	OONw	INNw	OONw	INNw	OONw
Professional Office Visit	90% after deductible		90% after deductible		80% after deductible		80% after deductible	
Outpatient Professional Services (Professional Hospital Care)	90% after deductible		90% after deductible		80% after deductible		90% after deductible	
Chiropractic Care	90% after deductible		90% after deductible		50% after deductible (15 Visits)		90% after deductible (12 Visits)	
Hearing Care					Exam 80% / Hearing Aid 100% (1 per year)			
Inpatient Professional Services	90% after deductible		90% after deductible		80% after deductible		90% after deductible	
PATHOLOGY AND DIAGNOSTIC SERVICES								
Inpatient Hospital X-rays and Lab Tests	90%		90% after deductible		80% after deductible		90% after deductible	60% after deductible
Outpatient X-rays and Lab Tests	90%		90% after deductible		80% after deductible		80% after deductible	
RADIOLOGY - Outpatient								
CT Scan, MRI/MRA, PET Scan, Other Imaging	90%		90% after deductible		80% after deductible		80% after deductible	
Mammography (non-preventive)	90%		90% after deductible		80% after deductible		80% after deductible	
URGENT / EMERGENT CARE								
Urgent Care	90%		90% after deductible		80% after deductible		80% after deductible	
Emergency Room Facility	90%		90% after deductible		80% after deductible		80% after deductible	
Emergency Room Professional Services	90%		90% after deductible		80% after deductible		90% after deductible	
Ambulance Transportation (Air & Ground)	90%		90% after deductible		80% after deductible		90% after deductible	
FACILITY CARE								
Inpatient Facility Care	90%	75%	90% after deductible	70% after deductible	80% after deductible	60% after deductible	90% after deductible	\$250 per confinement copay + 60% after deductible
Outpatient Facility Care	90%		90% after deductible	70% after deductible	80% after deductible	60% after deductible	90% after deductible	60% after deductible
Skilled Nursing Facility	90%		100% Deductible Waived (90 days)		80% after deductible (60 days)		80% after deductible	
Bridge Health Surgery Program	100% Deductible Waived		100% Deductible Waived		100% Deductible Waived		100% Deductible Waived	

MATERNITY	INNW	OONW	INNW	OONW	INNW	OONW	INNW	OONW
Maternity Inpatient	90% After Deductible	75% After Deductible	90% After Deductible	70% After Deductible	80% after deductible	60% after deductible	90% after deductible	\$250 per confinement copay + 60% after deductible
Maternity Outpatient	90% After Deductible		90% After Deductible		80% after deductible	60% after deductible	90% after deductible	60% after deductible
Maternity Ultrasound	90% After Deductible		90% After Deductible				80% after deductible	
OTHER SERVICES								
Mental Health Inpatient	90% After Deductible	75% After Deductible	90% After Deductible	70% After Deductible	80% after deductible	60% after deductible	90% after deductible	\$250 per confinement copay + 60% after
Mental Health Outpatient - Office Visit	90% After Deductible		90% After Deductible		80% after deductible		80% after deductible	
Mental Health Outpatient - Facility	90% After Deductible	75% After Deductible	90% After Deductible	70% After Deductible	80% after deductible	60% after deductible	90% after deductible	60% after deductible
Chemical Dependency Inpatient	90% After Deductible	75% After Deductible	90% After Deductible	70% After Deductible	80% after deductible	60% after deductible	90% after deductible	\$250 per confinement copay + 60% after deductible
Chemical Dependency Outpatient - Office Visit	90% After Deductible		90% After Deductible		80% after deductible		80% after deductible	
Chemical Dependency Outpatient - Facility	90% After Deductible	75% After Deductible	90% After Deductible	70% After Deductible	80% after deductible	60% after deductible	90% after deductible	60% after deductible
Rehabilitation Inpatient (Includes Neurodevelopmental and Physical)	90% After Deductible	75% After Deductible	90% After Deductible	70% After Deductible	80% after deductible	60% after deductible	90% after deductible	\$250 per confinement copay + 60% after deductible
Rehabilitation Outpatient - Office Visit (Includes Neurodevelopmental and Physical)	90% After Deductible		90% After Deductible		80% after deductible		80% after deductible	
Rehabilitation Outpatient - Facility	90% After Deductible		90% After Deductible	75% After Deductible	80% after deductible		90% after deductible	60% after deductible
Durable Medical Equipment	90% After Deductible		90% After Deductible		80% after deductible		80% after deductible	

Orthotics	90% After Deductible		90% After Deductible		80% after deductible		80% after deductible	
Home Health Care	90% After Deductible (130 Visits)		90% After Deductible (100 Visits)		80% after deductible		80% after deductible	
Hospice Care (Life Expectancy is six (6) months or less)	90% After Deductible		90% After Deductible		80% after deductible		80% after deductible	
Transplants	90% After Deductible	75% After Deductible	90% After Deductible	Not Covered	80% After Deductible	Not Covered	90% After Deductible	
Transplants - Donor Cost	90% (Max \$20,000)		90% (Max \$20,000)	Not Covered	80% (Max \$20,000)	Not Covered	90% (Max \$15,000)	
Transplants - Transportation	90% After Deductible		100% deductibel waived	Not Covered	80% After Deductible	Not Covered	90% After Deductible (\$7,500)	
PHARMACY								
Individual/Family Deductible PCY	None		Combined with Medical		None		None	
Retail Pharmacy Up to 30 day supply	\$5 / \$10		90% after Deductible		\$5 / \$10 + difference in cost		\$10 / \$28 / \$50 / \$50	
Retail Pharmacy 31-90 day supply	\$5 / \$10				\$5 / \$10 + difference in cost		\$30 / \$84 / \$150 / \$150	
Out-of-Network Pharmacy Up to 30 day supply	\$5 / \$10				\$5 / \$10 + difference in cost		See Summary Plan Description	
Mail Order 90-day supply	\$5 / \$10				\$5 / \$10 + difference in cost		\$20 / \$50 / \$100	
Oral Contraceptives	Not Covered		100% deductible waived		\$1 per Rx		Same As above	
Preventive RX (ACA Required)	N/A Grandfathered Plan		100% deductible waived		N/A Grandfathered Plan		N/A Grandfathered Plan	

VISION									
Individual/Family Deductible PCY	None		None		None		None / None		
Frames	90% per 12 Months		90% up to \$45 per 24 Months		\$100 PCY		100% up to \$120 Maximum (per 24 Mo.)		
Leses	90% per 12 Months		90% per 12 Months		\$30 / \$44 / \$58 / \$166 (per lense PCY)				
Contacts	In lieu of glasses		In lieu of glasses		In lieu of glasses \$130 PCY		In lieu of glasses		
Exam	90% per 12 Months		90% per 12 Months		\$100 PCY		100% up to \$60 Maximum (per 12 mo.)		
DENTAL									
Individual/Family Deductible PCY	\$25 / \$75		None		\$50		\$50 / \$150		
Benefit Maximum PCY	\$2,000 per participant		\$1,000 per participant		\$2,500 per participant		\$1,000 per participant		
Preventive Care	100% Deductible Waived		70% / 80% / 90% / 100%		100% Deductible Waived		100% Deductible Waived		
Basic Care	80% After Deductible		70% / 80% / 90% / 100%		80% After Deductible		80% After Deductible		
Major Care	50% After Deductible		50%		50% After Deductible (6 mo wait)		50% After Deductible		
TMJ	Not Covered		Not Covered		80% \$1,000 Lifetime deductible waived		Not covered		
Orthodontia	Not Covered		Not Covered		80% \$1,000 Lifetime deductible waived (children only)		Not covered		

Pre-Certification is required, but not limited, to the following services:

	Air Ambulance, when used for Non-Emergency Medical Conditions	Air Ambulance, when used for Non-Emergency Medical Conditions	Air Ambulance, when used for Non-Emergency Medical Conditions
Diagnostic Imaging such as CT Scans, PET Scans, MRAs, MRIs, IVPs, etc.	Diagnostic Imaging such as CT Scans, PET Scans, MRAs, MRIs, IVPs, etc.	Diagnostic Imaging such as CT Scans, PET Scans, MRAs, MRIs, IVPs, etc.	Diagnostic Imaging such as CT Scans, PET Scans, MRAs, MRIs, IVPs, etc.
	Genetic testing	Genetic testing	Genetic testing
Hospice Care	Home Health Care Services Hospice Care	Home Health Care Services Hospice Care	Home Health Care Services Hospice Care
	I/V Therapy	I/V Therapy	I/V Therapy
Inpatient Hospitalizations	Inpatient Hospitalizations	Inpatient Hospitalizations	Inpatient Hospitalizations
Inpatient Surgical Procedures	Inpatient Surgical Procedures	Inpatient Surgical Procedures	Inpatient Surgical Procedures
	Orthotics and Prosthetics over \$500.00	Orthotics and Prosthetics over \$500.00	Orthotics and Prosthetics over \$500.00
Outpatient Surgical Procedures	Outpatient Surgical Procedures	Outpatient Surgical Procedures	Outpatient Surgical Procedures
	Physical and Occupational Therapies	Physical and Occupational Therapies	Physical and Occupational Therapies
	Purchase of Durable Medical Equipment costing \$1,000 or more	Purchase of Durable Medical Equipment costing \$1,000 or more	Purchase of Durable Medical Equipment costing \$1,000 or more
Renal Dialysis	Renal Dialysis	Renal Dialysis	Renal Dialysis
	Rental of Durable Medical Equipment with purchase value of \$3,000 or more	Rental of Durable Medical Equipment with purchase value of \$3,000 or more	Rental of Durable Medical Equipment with purchase value of \$3,000 or more
	Skilled Nursing and Rehabilitation Facility Services	Skilled Nursing and Rehabilitation Facility Services	Skilled Nursing and Rehabilitation Facility Services
Transplant Evaluations	Transplant Evaluations	Transplant Evaluations	Transplant Evaluations
Travel	Travel	Travel	Travel

	Valdez City Schools	NWABSD	City of Seward	City of North Pole
Group Size	112 (4/1/2016 Renewal)	385 (12/1/2015 Renewal)	98 (1/1/2016 Renewal)	40 (7/1/2015 Renewal)
Employee Only	\$1,115.50	\$945.94	\$1,011.63	\$751.72
Employee & Spouse	\$2,309.08	\$1,958.09	\$2,092.00	\$1,556.07
Employee & Children	\$2,164.07	\$1,835.12	\$1,960.62	\$1,458.34
Family	\$3,402.27	\$2,885.11	\$3,082.42	\$2,292.76
Self Funded	\$125,000 Spec Ded.	\$150,000 Spec Ded.	\$100,000 Spec Ded.	\$35,000 Spec Ded.

**CITY OF NORTH POLE
Ordinance 16-11**

**AN ORDINANCE AMENDING TITLE 4, REVENUE AND FINANCE ADDING
CHAPTER 4.26 CLASSIFICATION OF DEBTORS TO THE CITY**

WHEREAS, changes to the North Pole Municipal Code 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 and to clarify questionable areas.

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. Addition of Chapter 4.26 Classification of Debtors to the City

4.29.010 Definitions

For the purposes of this chapter, the following words and phrases have the following meanings:

Business: A commercial operation or company.

Citation: A notice of violation of City Code excluding traffic citations.

Corporation: A legal entity, of any type, created by or under the laws of any state.

Delinquent debt: A debt owed to the City not paid within 60 calendar days of the required payment date.

Developer: A party that develops real estate for sale.

Fee: A charge for a City service.

License: The permission granted by competent authority to exercise a certain privilege that, without such authorization, would constitute an illegal act.

Party: Any person, corporation, developer or business.

Permit: A document granting permission, license or warrant.

4.26.020 License and permit denial, revocation or suspension; restrictions on hiring and denial of contracting with the City.

Any party, that has a delinquent debt with the City shall be determined to be *Not in Good Standing*, with the City.

The City may deny any application for, or revoke or suspend any City-issued license or permit, including renewals issued by any department of the City for any party determined to be *Not in Good Standing*. In addition, a party determined to be in *Not in Good Standing* shall not be eligible to be hired for a position with the City nor to contract with the City.

1. The City Accountant shall determine and maintain a list of all parties that are *Not in Good Standing* with the City.
2. A delinquent debt owed to the City shall be binding on the heirs and assigns of any party until the delinquency with the City is resolved to the City's satisfaction.
3. The City may deny, revoke or suspend any license or permit, including renewals; enforce restrictions on hiring; or enforce restrictions on being a contractor with the City for any party who has a delinquent debt owed to the City, provided, that written notice is mailed to the party by the City Accountant upon the party being placed on the *Not in Good Standing* with the City list. The determination of delinquency shall be prima facie evidence for the denial, revocation or suspension of license or permit; restriction on hiring; or restriction on being a contractor with the City.
4. The process for collection of delinquent debts owed to the City are defined in Section 4.06.020 Collection of unpaid debts. In addition to the processes detailed in Section 4.06.020, the City of North Pole shall have a lien upon any and all real property for a party with a delinquency for payment of any and all charges with the City consistent to the fullest extent allowed under State law. In addition, this lien shall be superior to any and all other liens to the maximum extent allowed under State law.
5. Any license or permit denied, revoked or suspended; restriction on hiring; or restriction on being a contractor with the City under this section shall not be lifted until the City Clerk certifies that the party has returned to *Good Standing*. The City Clerk shall certify a party as returning to *Good Standing* only upon notification by the City Accountant that the party has paid in full any and all delinquencies owed to the City or signed a legally binding Confession of Judgment that establishes a payment plan and the party is in full compliance with that plan.
6. All parties shall be given an opportunity to enter into a Confession of Judgment with the City that establishes a legally binding payment plan for the delinquency, thereby allowing the City to certify that the party has returned to *Good Standing* with the City. Failure to comply with the Confession of Judgment shall be grounds for immediate reclassification of the party as *Not in Good Standing* with the City with all the penalties and restrictions associated with this classification; provided, however, that the party be mailed notice that they have been reclassified as *Not in Good Standing* with the City.

PASSED AND APPROVED by a duly constituted quorum of the North Pole City Council this 6th day of June, 2016.

Bryce J. Ward, Mayor

ATTEST:

Kathryn M. Weber, MMC
North Pole City Clerk

PASSED/FAIL Yes: No: Absent:

CITY OF NORTH POLE

ORDINANCE 16-12

AN ORDINANCE AMENDING TITLE 15, BUILDING AND CONSTRUCTION,
CHAPTER 15.15.060 LOCAL AMENDMENTS TO THE INTERNATIONAL BUILDING
CODE

WHEREAS, changes to the North Pole Municipal Code 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 and to clarify questionable areas.

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. Amend Title 15, Building and Construction, Chapter 15.12.060 Local amendments to
the International Building Code, 2009 Edition,

15.12.010 Adoption.

The International Building Code (IBC), 2009 Edition, as published by the International
Conference of Building Officials, together with the local amendments as set forth in this chapter,
shall constitute the laws of the City relating to building regulations. Where the *IBC International
Building Code* conflicts with this code this code shall prevail. An electronic copy of the *IBC
International Building Code* and referenced standards is retained at the City offices. (Ord. 12-07
§2(part), 2012)

15.12.060 Local amendments to the International Building Code, 2009 Edition.

The amendments to the International Building Code, 2009 Edition, as published by the
International Conference of Building Officials *and the State of Alaska 13 AAC 50.020 Building
Codes* (see attached) are hereby adopted by the City of North Pole as follows:

A. Section 101.2.1, Appendices. Amend this section to read as follows:

1. Appendices E and H *of the IBC* are hereby adopted.
2. *Appendix L of 13 AAC 50.020 (82) is hereby adopted.*

UUUU. Amend Appendix L Oil and Gas Industrial Processing Buildings to read as follows:

*L102.1 If in the judgment of the building official, an unoccupied, pre-manufactured structure or
component located within an industrial area that is fenced and/or guarded and not open to the
public, the building official may upon review not require a professional engineer's seal or may
accept the seal of an engineer licensed outside the State of Alaska provided the structure or*

*component is in compliance with structural provisions of IBC 1604 as certified by an engineer
licensed within the State of Alaska.*

PASSED AND APPROVED by a duly constituted quorum of the North Pole City Council this
20th day of June, 2016.

Bryce J. Ward, Mayor

ATTEST:

Kathryn M. Weber, MMC
North Pole City Clerk

Appendix of the *IBC* is revised by adding APPENDIX L as follows:

"APPENDIX L OIL AND GAS INDUSTRIAL PROCESSING BUILDINGS"

L101 General. These provisions have been established to provide engineering methods for the design and construction of Hydrocarbon Processing Buildings in this state.

L102 Scope. These standards augment and are used in conjunction with the respective requirements of the 2009 *International Building Code (IBC)*, *International Mechanical Code (IMC)*, *International Fire Code (IFC)*, and *International Fuel Gas Code (IFGC)* as the minimum requirements for occupancies (F, H, S, and U) when designing and constructing hydrocarbon (facilities that are directly connected with the transport or processing of oil and gas or by-products) buildings in this state. These standards apply to industrial occupancies attached to H-2 buildings such as the following: control rooms, offices, break rooms, warehouses, generator enclosures, vehicle storage, and others as approved by the authority having jurisdiction.

L102.2 Small unoccupied remote dedicated structures, shelters, and enclosures, such as a wellhead shelter (any item that is put over the top of the wellhead that totally encloses the wellhead), communications shelters (unoccupied buildings with no hazardous vapors, gases, or products open to the atmosphere within the structure and that is utilized solely for the housing of wires and their components), pigging enclosures, meter building, and shut-down valve enclosures may be classified as a Group U occupancy if the following conditions are met:

1. The building is less than 1,000 square feet;
2. The contents of the building include only meters, valves, or pipe work;
3. The building is not normally occupied more than once during a 12-hour period;
4. If the building exceeds 300 square feet, the building has at least two exits;
5. "Remote" means a location that is secured and has limited or no public access and where no other occupied non-oil and gas related buildings or structures are located within one-half mile of a flare or emergency process safety blow down exhaust termination;
6. "Dedicated" means housing only equipment associated with a single activity such as metering or pigging.

L102.3 Structures that meet the requirements of Section L102.2 must neither require conformance with *IBC* Section 1604.4 nor a professional engineer's registration number or seal on plans if all of the following conditions exist:

1. The building is less than 300 square feet;

144 2. The building is pre-manufactured;

145
146 3. The pre-manufactured building is based on the manufacturer's experience or the
147 building has been load tested for the site location conditions.
148

149 L102.4 Factory fabricated structures of less than 400 square feet in area, singularly or aggregate,
150 that are designed for the specific purpose of providing an enclosure for non-hazardous equipment
151 and not containing hazardous materials in excess of those found in *IBC* Tables 307.1(1) and
152 307.1(2) are exempt from plan review in accordance with *IBC* 105.2. Any structure shall not be
153 occupied for any reason other than maintenance and service of equipment housed within the
154 structure.
155

156 L103 Hydrocarbon processing buildings are considered special industrial occupancies as
157 defined in *IBC* 503.1.1 and are exempt from the height and area limitations of *IBC* Table 503.
158

159 L103.1 Module separation. Elevated pipe ways extending from a building need not be considered
160 projections of the building.
161

162 L103.2.1 Building extensions and service area platforms. Building extensions of Hydrocarbon
163 Processing Buildings into the yard, include landings, platforms, stairs, vessels, vessel enclosures,
164 tanks, and exhaust or intake hoods. Clear and unobstructed access for firefighting is to be no less
165 than 40 feet. Bridging between buildings must be designed to allow access and operation for
166 firefighting.
167

168 L104 Stairs, landings, handrails, and guardrails. Stairs, landings, handrails, and guardrails must
169 meet the minimum requirements of 8 AAC 61, as amended as of October 6, 2002 and as
170 amended from time to time; these regulations supersede the respective requirements of the *IBC*
171

172 L104.1 Landings, floor level at doors. Floors or landings may be more than one inch lower than
173 the threshold of doorways if an attempt is made to minimize the drop through the use of ramps
174 at interior doorways as described in Section 1008.1.6 of the *IBC*.
175

176 L104.2 Industrial areas that are fenced or guarded and not open to the public in group B, F, H, R-
177 1, R-2, or S occupancies, balusters, horizontal intermediate rails, or other construction must not
178 permit a sphere with a diameter of 21 inches (533 mm) to pass through any opening.
179

180 L105 Construction specifics. The construction of Hydrocarbon Processing Buildings
181 must comply with Appendix L105.1 - L105.3 of this Code.
182

183 L105.1 Fire walls. When a fire wall is used to qualify under Section 705 of the *IBC*, the wall
184 must comply with that section. If the fire wall does not extend to the ground, the structural
185 supports for the wall must rest upon, and be completely supported by the pilings.
186

187 L105.2 Tank support fireproofing. Fire proofing requirements for steel tank supports, as
188 described in Section 3404.2.9.2.3 of the *IFC* as adopted by reference, may be waived by the
189 authority having jurisdiction when justified, based on the remoteness of the facility and lack of
190 public access, or analytical or empirical results indicating that sufficient heat could be
191 transmitted to the permafrost to cause foundation settlement.

L105.2.1 Tank venting and relief requirements for tanks and pressure vessels storing class 1B or 1C liquids described in Sections 3404.2.7.3.6 and 3404.2.7.4 of the *IFC (2009 Edition)* may be satisfied by the use of properly sized open vents without flame arrestors. When open vents are utilized, the open vents must be configured to minimize the accumulation of snow and ice.

L105.2.2 Bulk Transfer and Process Transfer Locations. Bulk transfer and process transfer operations must be conducted in approved locations. Tank vehicle transfer facilities shall be separated from buildings and above-ground tanks by a minimum distance of five feet (1524 mm) for Class I, II, and III liquids measured from the nearest position of any tank loading valve and meet the following requirements:

1. Adherence to an approved written company policy for transfer of flammable and combustible liquids;
2. Tank capacity of either the truck or tank must not exceed 15,000 gallons;
3. Tank vehicle must be located a minimum of 20 feet from tank connections, and a minimum distance of 25 feet from tank or building during transfer operations;
4. Tank fill connections must not be utilized to transfer liquids to tank vehicles.

L105.4 Electrical or communication equipment shelters and wellhead shelters. Thermal barrier requirements as described in Section 2603.4 of the *IBC* are not required for fiberglass or metal sheeting used for construction of electrical or communication equipment shelters and wellhead shelters if the following conditions are met:

1. The area of an individual shelter may not exceed 1,000 square feet;
2. Separation between individual shelters must be a minimum of six feet;
3. Each wellhead shelter shall only enclose one wellhead;
4. The electrical or communication shelter or wellhead shelter must normally be unoccupied. It is understood that operators need to spend approximately 10 minutes per day taking readings in wellhead shelters and that maintenance is infrequently required. The most extensive maintenance is well wireline work. This work may extend to a week per well and occur once every several years per well. Most of this work is accomplished from outside the wellhead shelter. All maintenance is strictly controlled with a permit system;
5. With the exception of wellhead shelters, separation between individual shelters shall be a minimum of six feet.

L106 Fire suppression. The provisions in Sections L106.1 - L106.3 establish the standards for fire suppression at Oil and Gas Hydrocarbon Processing Buildings.

L106.1 Fire Extinguishing System. An automatic sprinkler system as specified in *IBC* Section

903.2.5.1 or alternative automatic fire extinguishing system need not be provided in Group H-2 occupancy compressor modules, dehydration modules, metering modules and heater/separator modules if the following conditions are met:

1. The module under consideration primarily handles natural gas and its by-products;
2. The module is located within a secured site with controlled access;
3. The module is normally unoccupied;
4. Significant quantities of Class I or Class II liquids are not present;
5. The aggregate module area under consideration is less than 1,500 square feet;
6. Module construction features panelized type exterior walls that will provide for venting in the event of over pressurization;
7. Combustible gas detection is provided;
8. A mechanical ventilation system capable of providing the following is provided:
 - i. Minimum four air changes per hour operating continuously;
 - ii. Minimum 12 air changes an hour upon detection of combustible or flammable vapors in excess of 20 percent Lower Explosive Limit (LEL);
9. Upon detection of combustible or flammable vapors in excess of 40 percent LEL process safety management features are automatically initiated to reduce or eliminate the fuel load;
10. Module location complies with *IBC* section 705.3.

L106.2 Alternate Automatic Fire-Extinguishing (AAFE). Automatic activation for gas detection (inerting or suppression agent) in areas of Hydrocarbon Processing Buildings where (1) both fire and explosion hazards exist, (2) both fire and gas detection systems are (interconnected or independently, or both) installed, (3) the fire and gas detection devices alarm at a continuously staffed control room and trained operators can quickly respond to the fire and gas alarms following specific fire and gas alarm response procedures, and (4) collateral fire damage is likely to be minimal, the following (AAFE) operating activation mode is acceptable: Automatic activation of the (AAFE) system upon gas detection coupled with manual activation of the same (AAFE) system on fire detection is approved.

L106.3 Manual activation of total flooding fire suppression systems. In areas where (1) the only hazard is fire, not explosion, (2) fire detection devices alarm at continuously staffed control rooms, (3) trained operators can quickly respond to the fire alarms following specific fire alarm response procedures, and (4) collateral fire damage is likely to be minimal, manual activation of the total flooding fire suppression agent is acceptable. These areas also include continuously staffed control rooms.

288

289 L106.4 Platform width. In buildings protected with fire sprinkler systems, any platform that
290 exceeds four feet in width or length is considered an obstruction for the purposes of the
291 installation of sprinkler systems under Section 903.3.1.1 of the *IBC*".

**CITY OF NORTH POLE
ORDINANCE 16-13**

**AN ORDINANCE OF THE NORTH POLE CITY COUNCIL AMENDING CHAPTER
12.04, OBSTRUCTION OR ALTERATION OF STREETS, ROAD RIGHTS-OF-WAY,
SIDEWALKS OR CITY PROPERTY ESTABLISHING PERMITS FOR PARADES AND
SPECIAL EVENTS**

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

WHEREAS, from time-to-time events and activities by the public and private groups occur on City streets, property and rights of way without authorization or notification of the City; and

WHEREAS, City code states “It is unlawful for any person to...obstruct the free use of or to cause the...obstruction of any public sidewalk, street, or road right-of-way in the City without first having obtained a written permit to do so”, and

WHEREAS, obstructions of public property, sidewalks, streets, or road rights-of-way in the City can hamper the provision of emergency services, routine city business, private business and citizens’ legitimate use of these facilities; and

WHEREAS, current code may be insufficiently clear about prohibited actions that require a permit; and

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

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

Section 2. Chapter 12 Streets, Sidewalks and Public Places is amended in the North Pole Code of ordinances as follows—new text in *italicized red* font and deleted text struck through and in ~~*italicized red*~~ font.

12.04.010 Permit required – Exception.

It is unlawful for any person to *conduct a parade or event*, remove, alter, damage or obstruct the free use of or to cause the removal, alteration, damage or obstruction of any *city-owned property*, public sidewalk, street, or road right-of-way in the City without first having obtained a written permit to do so; provided, temporary obstruction for the purpose of loading or unloading merchandise or water delivery shall not be deemed a violation of this section. It is further provided that a bond with good and sufficient sureties may be demanded of any person who has been granted such a permit. (Ord. 15-27 § 2, 2016; Ord. 09-05 § 2, 2009. Code 1962 34 § 16-1)

Section 3, Effective Date. This ordinance shall be effective at 5:00 pm on the first City business day following its adoption.

PASSED AND APPROVED by a duly constituted quorum of the North Pole City Council this
20th day of June 2016.

Bryce J. Ward, Mayor

ATTEST:

Kathryn M. Weber, MMC
North Pole City Clerk

ORDINANCE 16-14

**AN ORDINANCE OF THE CITY OF NORTH POLE, ALASKA TO AMEND
THE 2016 BUDGET TO ACCEPT FUNDING FOR ECONOMIC
DEVELOPMENT IN NORTH POLE TO INCLUDE WORK FOR THE
BUSINESS RETENTION AND EXPANSION PROJECT (BR&E)**

WHEREAS, the 2016 Budget should be amended to conform to the requirements of the City, and

WHEREAS, the Fairbanks North Star Borough has funding available for economic development in North Pole, and

WHEREAS, the City has an interest in aiding in the economic development of the City of North Pole, and

WHEREAS, \$10,000 has been allocated in the Fairbanks North Star Borough for economic development in North Pole, and

WHEREAS, the City desires to use this funding for beautification and repair-replacement of public use items such as park and sports equipment, and

WHEREAS, \$5,000 is available for the BR&E program which North Pole businesses have participated in, and

WHEREAS, the City would be able to use the \$5,000 to fund an analysis of the BR&E,

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of North Pole the City amends the 2016 budget to include \$15,000 in grant funding from the Fairbanks North Star Borough.

Section 1. This ordinance is of a special nature and shall not be included in the North Pole Code of Ordinances.

Section 2. Effective date. This ordinance shall be effective at 5:00 p.m. on the first City business day following its adoption

PASSED AND APPROVED by a duly constituted quorum of the North Pole City Council this 20th day of June, 2016.

Bryce J. Ward, Mayor

ATTEST:

Kathryn M. Weber, MMC
North Pole City Clerk

PASS/FAIL Yes: No: Absent:



City of North Pole, Alaska

Budget Amendment Note

Year: 2016

Ordinance: 16-14

Originator / Sponsor Name: Mayor Ward

Date: June 6, 2016

Does the Ordinance or Resolution have a fiscal impact? **Yes**

Fund- Dept. Title	Account Description	Account #	Debit	Credit
33 – PW Grant Fund	FNSB Econ Dev Exp	33-06-9-525	10,000	
33 – PW Grant Fund	FNSB Econ Dev Rev	33-00-3-306		10,000
30- Admin Grant Fund	FNSB BR&E Exp	30-03-9-008	5,000	
30- Admin Grant Fund	FNSB BR&E Rev	30-00-3-905		5,000

Prepared By: Tricia Fogarty Date: June 6, 2016

Finance Approval: *Tricia Fogarty* Date: 6/1/2016

**CITY OF NORTH POLE
RESOLUTION 16-05**

**RESOLUTION TO PLACE AN INITIATIVE ON THE OCTOBER 4, 2016 CITY OF
NORTH POLE BALLOT AUTHORIZING THE CITY TO INCUR \$2,000,000 OF DEBT
IN THE FORM OF A LOW-INTEREST ALASKA DEPARTMENT OF
ENVIRONMENTAL CONSERVATION (ADEC) LOAN FOR THE PURPOSE OF
CONSTRUCTING AN EXTENSION TO THE WASTEWATER TREATMENT PLANT
DISCHARGE SEWER MAIN IN RESPONSE TO AN ADEC NOTICE OF VIOLATION**

WHEREAS, the City of North Pole created its utility system to provide residents with the sanitation, protection and convenience afforded by a municipal utility system and to promote an improved community environment; and

WHEREAS, the Utility has a permit from the Alaska Department of Environmental Conservation (ADEC) allowing the Utility to discharge treated wastewater to the Tanana River; and

WHEREAS, the wastewater treatment plant discharges treated wastewater to the Tanana River via a discharge sewer main; and

WHEREAS, the discharge of treated wastewater to the Tanana River is the last step in the wastewater treatment process where river water dilutes the treated wastewater in a mixing zone; and

WHEREAS, periodically starting in October 2012 the river channel where the Utility discharges treated wastewater has gone dry; and

WHEREAS, the loss of river flow in the discharge channel results in the loss of the Utility's mixing zone; and

WHEREAS, lack of a mixing zone is a violation of the Utility's wastewater discharge permit; and

WHEREAS, in November 2014, the ADEC issued the Utility a Notice of Violation of the Utility's wastewater discharge permit for the lack of a mixing zone; and

WHEREAS, the Utility received an engineering estimate that it would cost approximately \$4 million to construct in 2020 an extension to the discharge sewer main to an active channel of the Tanana River to bring the Utility back in compliance with its ADEC wastewater discharge permit; and

WHEREAS, the Utility submitted a request to the ADEC for a \$2 million loan to help finance the construction of the extension to the discharge sewer main; and

WHEREAS, the Utility will require additional funding to fully finance the construction of an

extension to the discharge sewer main and the Utility will solicit grants and use accumulated utility capital funds to generate the balance of the needed construction funds; and

WHEREAS, the Utility has existing capital charges levied on all utility rate payers that generate sufficient revenues to repay the loan over its 20-year life without the need to raise utility rates, the property taxes or sales taxes rates.

NOW, THEREFORE, BE IT RESOLVED that the North Pole City Council approves that the following question shall be placed on the October 4, 2016 ballot as follows:

Proposition 1
City of North Pole
October 4, 2016

The North Pole Utility is requesting authority to accept a \$2 million loan from the Alaska Department of Environmental Conservation (ADEC) to build and extension to the wastewater treatment plant discharge sewer main. The location of the current sewer main discharges to a channel of the Tanana River that has periodically run dry starting in 2012. ADEC issued the Utility a Notice of Violation due to the lack of river flow at the discharge main. The loan will be for 20 years at an annual interest rate of 1.5%. The Utility will repay the from the existing capital construction utility charges collected from all utility rate payers. This project will not use property taxes nor sales tax for either construction costs or to repay the loan. The Utility's annual loan payment will be approximately \$116,491. The total construction cost to build the sewer main in 2020 is estimated to be \$4 million and will include a mixture of loan, grant and utility funding:

Shall the City of North Pole accept a \$2,000,000 loan offer from the Alaska Department of Environmental Conservation (ADEC) at an interest rate of 1.5% for a period of 20 years to be repaid from the existing capital construction utility charges collected from all utility rate payers for the purpose of extending the wastewater treatment plant sewer discharge main to an active channel of the Tanana River to help comply with an ADEC Notice of Violation?

Yes ☐ No ☐

PASSED AND APPROVED by a duly constituted quorum of the North Pole City Council this 6th day of June, 2016.

Bryce J. Ward, Mayor

ATTEST:

Kathryn M. Weber, MMC
North Pole City Clerk