



CITY OF LYNNWOOD

RESOLUTION NO. 2013-12

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LYNNWOOD, WASHINGTON (THE CITY), TO ENTER INTO AN INTERLOCAL AGREEMENT WITH THE ASSOCIATION OF WASHINGTON CITIES EMPLOYEE BENEFIT TRUST (THE TRUST) FOR THE PURPOSE OF AUTHORIZING THE HEALTH CARE PROGRAM CREATED BY THE TRUST TO PROVIDE SELF-INSURED HEALTH BENEFITS TO PARTICIPANTS

WHEREAS, the Association of Washington Cities Employee Benefit Trust (the "Trust") is an entity to which contributions may be paid by members of the Trust and their employees and through which the Board of Trustees of the Trust ("Trustees") provides one or more insured health and welfare benefit plans or programs to members' employees, their dependents and other beneficiaries ("Beneficiaries"), on whose behalf the contributions were paid; and

WHEREAS, the Trust qualifies as a voluntary employee beneficiary association within the meaning of Section 501(c)(9) of the Internal Revenue Code, providing for the payment of life, sick, accident or other benefits to Beneficiaries; and

WHEREAS, the Trust and its members have determined that it is in the best interest of its members to jointly self-insure certain health benefit plans and programs for Beneficiaries through a designated account within the Trust, while at the same time having the Trust continue as the entity to which other insured health and welfare benefit program contributions are paid and through which insured health and welfare benefit plans and programs are provided to Beneficiaries; and

WHEREAS, it appears economically feasible and practical for the parties to do so; and

WHEREAS, Chapter 48.62 RCW provides that two or more local government entities may, by Interlocal agreement under chapter 39.34 RCW, jointly self-insure health benefit plans and programs, and/or jointly hire risk management services for such plans or programs by any one or more of certain specified methods; and

WHEREAS, the Association of Washington Cities Employee Benefit Trust Interlocal Agreement (the "Interlocal Agreement") attached hereto creates a joint self-insured health and welfare benefit program (the "Health Care Program") to be administered by the Trustees for the purposes of providing self-insured health benefits to Beneficiaries; and

1 WHEREAS, WAC 200-110-030 requires every local government entity participating in a joint self-
2 insurance health and welfare benefit program to adopt such program by resolution; and
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4 WHEREAS, Chapter 48.62 requires Health Care Program assets to be managed consistent with
5 existing authority over use of municipal funds in RCW 35.39.030. The Trust will manage Health Care
6 Program reserves in compliance with Chapter 48.62 RCW; RCW 35.39.030, and the Health Care Program
7 Investment Policy; and
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9 WHEREAS, all premium contributions for use in the Health Care Program are deposited into a
10 designated account within the Trust, the Health Care Program Account (the "HCP Account"), and the
11 HCP Account represents a pool of funds that is independent of all other Trust or AWC funds; and
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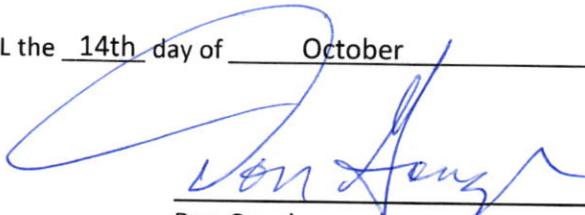
13 WHEREAS, the Trust intends to manage the HCP Account assets in compliance with federal and
14 state laws and the Interlocal Agreement; and
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16 WHEREAS, the City of Lynnwood believes it is in the best interest of the Health Care Program to
17 allow the Trust to manage the HCP Account; ; now, therefore
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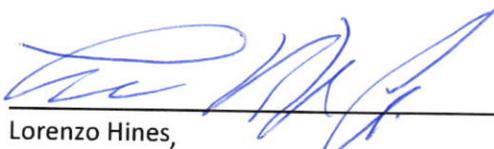
19 THE CITY COUNCIL OF THE CITY OF LYNNWOOD, WASHINGTON, RESOLVES AS FOLLOWS:
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- 21 1. That the Interlocal Agreement creating the Health Care Program is hereby adopted.
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23 2. That by adopting such Agreement, the City of Lynnwood acknowledges that it shall be subject to
24 assessments as required by the Health Care Program.
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27 PASSED BY THE CITY COUNCIL the 14th day of October, 2013.
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31 _____
32 Don Gough
33 Mayor
34
35

36 ATTEST/AUTHENTICATE:
37

38 
39 _____
40 Lorenzo Hines,
41 Finance Director, City Clerk
42

43 Resolution Number: 2013-12
44 Approved by Council: 10/14/2013
45 Vote: On Consent