

Agenda Summary Report (ASR)

Franklin County Board of Commissioners

DATE SUBMITTED: 1/10/2024	PREPARED BY: Jeff Briggs
Meeting Date Requested: 1/10/2024	PRESENTED BY: Mike Gonzalez
ITEM: (Select One Consent Agenda x Brought Before the Board Time needed: 10 minutes)	
SUBJECT: Board of County Commissioner VEBA and health insurance Benefits	
FISCAL IMPACT: The author takes no position on fiscal impact, as fiscal impact is contingent upon each Commissioners' individual election of insurance coverage.	
BACKGROUND: On November 1, 2023, the Board of County Commissioners directed the County Administrator to discuss creation of a new employee VEBA group. At that time, the Board did not elect to give direction to Mr. Gonzalez as to any funding changes with that group. Subsequent to that meeting, Commissioner Didier provided additional guidance on the desired action, which now eliminates contribution of excess benefit dollars into VEBA accounts for all Franklin County Commissioners. No other employees are affected by this proposed action.	
COORDINATION: Mike Gonzalez, County Administrator; Jeff Briggs, Senior Deputy Prosecuting Attorney; Rich Dickman, Senior Client Consultant, Gallagher Benefit Services, Inc.	
RECOMMENDATION: The author reiterates his office's warning regarding possible consequences of taking this action, which were voiced during the November 1, 2023 meeting. However, if the Board wishes to take this action over my office's recommendation, then a motion for passage of the attached resolution is appropriate.	
ATTACHMENTS: (Documents you are submitting to the Board) ASR, Resolution, HRA VEBA policy for Board of County Commissioners.	
HANDLING / ROUTING: (Once document is fully executed it will be imported into Document Manager. Please list name(s) of party(s) that will need a pdf.) Original : Clerk of the Board Karin Milham Copy: Jeff Briggs, Attorney Mike Gonzalez, County Administrator Margot A. Wilder, HR Director Tim Anderson, Budget Director	

I certify the above information is accurate and complete.

Name: Duane A. Davidson, County Administrator

FRANKLIN COUNTY RESOLUTION **2024-015**

BEFORE THE BOARD OF COMMISSIONERS
FRANKLIN COUNTY, WASHINGTON

***ESTABLISHING A NEW FRANKLIN COUNTY HEALTH REIMBURSEMENT AGENCY
VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION GROUP AND CORRESPONDING
POLICY FOR THE BOARD OF COUNTY COMMISSIONERS***

WHEREAS, Franklin County, hereinafter referred to as the Employer, has adopted the Health Reimbursement Agency Voluntary Employees' Beneficiary Association (HRA VEBA) plans offered and administered by the Voluntary Employees Beneficiary Association Trust for public employees in the Northwest (collectively the plans); and

WHEREAS, Employer shall contribute to the Plans on behalf of the Board of County Commissioners, whom are defined as a new group eligible to participate in the Plans; and

WHEREAS, the Internal Revenue Code Section 501(c)(9) allows for the creation of a Voluntary Employees' Beneficiary Association (VEBA) which is a tax exempt health and welfare trust; and

WHEREAS, The Internal Revenue Service (IRS) regulations and guidelines allow an employer to offer Health Reimbursement Arrangement (HRA) plans; and

WHEREAS, such HRA plans are available to governmental employers in the Northwest; and

WHEREAS, Employer makes available to its employees an HRA VEBA; and

WHEREAS, Employer wishes to establish an HRA VEBA group and corresponding policy for its Board of County Commissioners and to eliminate VEBA contributions for this group.

NOW, THEREFORE, BE IT RESOLVED, that the Board of County Commissioners is hereby established as a new VEBA employee group, and the attached policy for this group is approved on this date.

APPROVED this ____ day of _____, 2024.

BOARD OF COUNTY COMMISSIONERS
FRANKLIN COUNTY, WASHINGTON

Chair

Chair Pro Tem

Member

ATTEST:

Clerk to the Board

Plan Design Change



HV12 5/23 PRC

Email completed form and required attachments to your Gallagher representative.

Or, mail to: HRA VEBA Trust, c/o Gallagher, 221 N Wall St Ste 201, Spokane, WA 99201.

From time to time, employers make changes to their HRA VEBA Plan program such as adding new groups, adding new funding methods, changing existing funding methods, adding an employer account, etc.

Prior to adopting and implementing such changes, employers must complete and submit this form with required attachments. If an employer's proposed plan design violates applicable IRS rules or guidelines pertaining to proper HRA plan design, participation will not be accepted by the HRA VEBA Plan.

Also, when groups renew participation without making any changes, please send copies of collective bargaining language or other documents to Arthur J. Gallagher & Co. This will help keep current information on file for you.

1 EMPLOYER INFORMATION

Franklin County

EMPLOYER NAME

EMPLOYER ID NUMBER

1016 N. 4th Ave.

MAILING ADDRESS

Pasco

CITY

WA

STATE

99301

ZIP

2 AUTHORIZING SIGNATURE (REQUIRED)

AUTHORIZED SIGNATURE on behalf of Employer

DATE MM/DD/YYYY

Mike Gonzalez

PRINTED NAME

County Administrator

TITLE

MRGonzalez@franklincountywa.gov

EMAIL ADDRESS

AREA CODE and PHONE NUMBER

3 TYPE OF CHANGE (CHECK AND COMPLETE ALL THAT APPLY)

- ☐ Definition of eligibility change ☐ New funding method(s) ☐ Change to existing funding method(s) or amount(s)
- ☐ Addition of employer account ☐ Other (describe below)
- ☒ New participating union/employee group
- Number of employees in group: 3
- Name of new participating union/employee group: Board of County Commissioners Group

Describe:

4 REQUIRED ATTACHMENTS

Please attach the following:

1. A copy of formal action taken to change or amend your original HRA VEBA Plan adoption, if any;
2. An updated list of participating unions/employee groups; and
3. Applicable excerpts from collective bargaining agreements, employer policies, etc. that define employee eligibility, funding source(s) or formula(s), and any vesting requirements.

Employers are responsible for tracking when an employee becomes eligible to file claims due to separation from service or retirement and/or after having met the employer's vesting requirements (if any).

HRA VEBA Plan Employer Policy

Franklin County ("Employer") has adopted the health reimbursement arrangement (HRA) plans offered and administered by the Voluntary Employees' Beneficiary Association Trust for Public Employees in the Northwest ("Plan"). The Plan is designed with a variety of coverage options to allow for the maximum benefit permitted by applicable law. Employer agrees to contribute to the Plan on behalf of all Franklin County Commissioners ("Group") defined as eligible to participate in the Plan, in accordance with Plan and regulatory limitations. The Plan must receive an enrollment file for each eligible employee to become a participant and become eligible for benefits under the Plan.

Contributions on behalf of each eligible member of the Board of County Commissioners (or former employee) shall be based on the following selected funding sources/formulas:

- ☐ **Sick, Vacation, Personal, and Other leave Contributions – <RESERVED>**
- ☐ **Sick, Vacation, Personal, and Other leave Contributions – Annual: <RESERVED>**
- ☐ **Mandatory Employee Contributions <RESERVED>**
- ☐ **Direct Employer Contributions: <RESERVED>**
- ☐ **Excess Monthly Benefit Dollars:** Employer shall provide \$1,609.06 for the Employee group health insurance benefits. Any contribution in excess of health insurance premiums shall be retained by the Employer. No excess benefit dollars shall be used for VEBA contributions or any other private benefit to Employee.
- ☐ **Employer Contribution in Lieu of Medical Insurance: <RESERVED>**
- ☐ **Longevity/Retention Bonus: <RESERVED>**
- ☐ **Other: <RESERVED>**

The term of this Employer Policy shall be from 11/723 to present.

Signed for Franklin County

Date