

**ORDINANCE NO. 3
SERIES 2011**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, ADOPTING AN ADDITIONAL APPROPRIATION FOR THE FISCAL YEAR ENDING DECEMBER 31, 2011.

WHEREAS, the City of Gunnison contracted with Rural Health Plans Initiative to provide employee health insurance from October 1, 2009 to December 31, 2010; and

WHEREAS, the City of Gunnison has been notified that Rural Health Plans Initiative filed Chapter 7 Bankruptcy with the United States Bankruptcy court, District of Colorado, on November 23, 2010; and

WHEREAS, the City of Gunnison has contracted with Caplan and Earnest, LLC, a law firm who is representing clients who had contracted with Rural Health Plans Initiative, to assist the City of Gunnison with addressing issues related to health insurance coverage; and

WHEREAS, the City of Gunnison anticipates the legal fees associated with Caplan and Earnest, LLC will not exceed \$8,000 for fiscal year 2011; and

WHEREAS, the City of Gunnison entered into an agreement with NGS Coresource, a third party administrator to process the claims which were not paid by Rural Health Plans Initiative between October, 2009, and October, 2010; and

WHEREAS, the City of Gunnison desires to pay the health claims that should have been paid by Rural Health Plans Initiative out of General Fund cash reserves transferred to the Insurance Reserve Fund, anticipating that amount to be not more than \$375,000; and

WHEREAS, the City of Gunnison's Jorgensen Event Center experienced a carbon monoxide poisoning incident on February 6, 2011, at which time many of the buildings occupants were transported and received medical treatments; and

WHEREAS, the City of Gunnison desires to pay for these medical related expenses out of the General Fund cash reserves transferred to the Insurance Reserve Fund, anticipating that amount to be not more than \$175,000; and

WHEREAS, the City of Gunnison incurred unexpected expenses to repair the ice resurfacing machine that emitted the carbon monoxide, to repair the ventilation system that was malfunctioning, and to improve the existing ventilation system in the amount of \$32,167; and

WHEREAS, the City of Gunnison had unforeseen failures of the auto belays used on the Climbing Wall at the Gunnison Community Center, creating a situation where there was reduced safety and less economic opportunity in the use of the climbing wall; and

WHEREAS, the City of Gunnison has been selected as a host city for the USA Pro Cycling Challenge on August 24th, 2011; and

WHEREAS, the City of Gunnison anticipates expenses associated with hosting the event will be not more than \$44,000; and

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, THAT:

- 1) Additional funds in the amount of \$558,000 be appropriated in the General Fund and transferred to the Insurance Reserve fund to cover the professional fees and medical expenses associated with employee health insurance and to cover the medical and related expenses involved with the carbon monoxide poisoning.
- 2) Additional funds in the amount of \$44,000 be appropriated in the General Fund and transferred to the Parks and Recreation Fund, Events Operations

Department to cover expenses associated with hosting the 2011 USA Pro Cycling Challenge in Gunnison.

- 3) Additional funds in the amount of \$39,714 be appropriated in the Park and Recreation Fund to cover repair expenses for the auto belay system and the purchase of additional reconditioned auto belay systems in the Pool/Community Center (\$7,250) and repair expenses and building improvement expenses associated with the Jorgensen Event Center and the ice resurfacing machine (\$32,167).

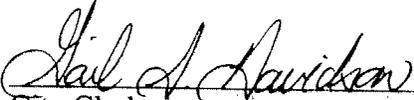
INTRODUCED, READ, PASSED AND ORDERED PUBLISHED this 12th day of April, 2011, on first reading, and introduced, read, and adopted on second and final reading this 26th day of April, 2011.



Mayor

SEAL:

ATTEST:



City Clerk

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