

RESOLUTION NO. 6-15

**A RESOLUTION APPROVING MODIFICATIONS TO THE
CONTRACT OF THE TOWN ADMINISTRATOR TO ADDRESS
INABILITY OF THE TOWN TO CONTINUE TO PROVIDE
HEALTH INSURANCE BENEFITS AS SPECIFIED**

WHEREAS, the Town of Berthoud entered into a contract with Michael Hart, its town administrator, on or about Dec. 1, 2012, which contract continues through November, 2017; and

WHEREAS, such contract provides that the Town shall pay, as an element of compensation, both a monthly HSA contribution and premium for the Town's group health insurance plan, with costs for 2014 of \$953.71 per month for the insurance premium and \$554.17 per month for the Health Savings Account contribution; and

WHEREAS, as of February, 2014, Mr. Hart became ineligible due to age to continue to receive coverage under the Town's health insurance plan, and premiums were no longer accepted, requiring Mr. Hart to utilize Medicare coverage and a Medicare supplement policy, for which he could not be reimbursed on a pre-tax basis; and

WHEREAS after examining all options to cure this default in the Town's ability to perform its contractual obligations, Administrator Hart has agreed to waive his right to coverage and health savings account contributions as a pre-tax benefit in return for an increase of \$900.00 per month in taxable compensation, retroactive to the first month in which the Town no longer paid such contract benefits; and

WHEREAS, the foregoing modification results in a substantial savings to the Town over the remaining term of the employment contract:

**NOW THEREFORE BE IT RESOLVED BY THE BOARD OF TRUSTEES
OF THE TOWN OF BERTHOUD, COLORADO AS FOLLOWS:**

- I. The town attorney is hereby directed to prepare a modification of the employment agreement with the town administrator which provides for the following:
 1. Release of the Town's obligation to provide and pay for group health coverage for the town administrator;
 2. Release of the Town's obligation to contribute monthly to a Health Savings Plan for the town administrator;
 3. Increase taxable compensation to the town administrator by nine hundred dollars (\$900.00) per month since benefits ceased, including payment of accrued amounts;
 4. Reaffirm in all other respects to continuing force of the existing employment agreement.

II. The clerk and mayor are authorized to execute, with the town administrator, a contract modification complying with the foregoing provisions.

PASSED, ADOPTED AND APPROVED THIS 24th day of March, 2015.

TOWN OF BERTHOUD

BY: 

David Gregg, Mayor

ATTEST:


Mary K. Cowdin, Town Clerk