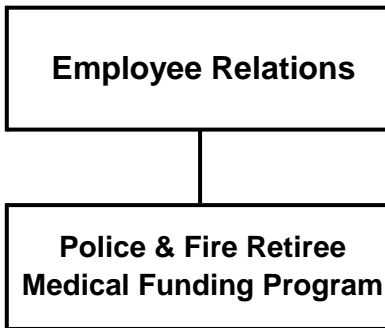
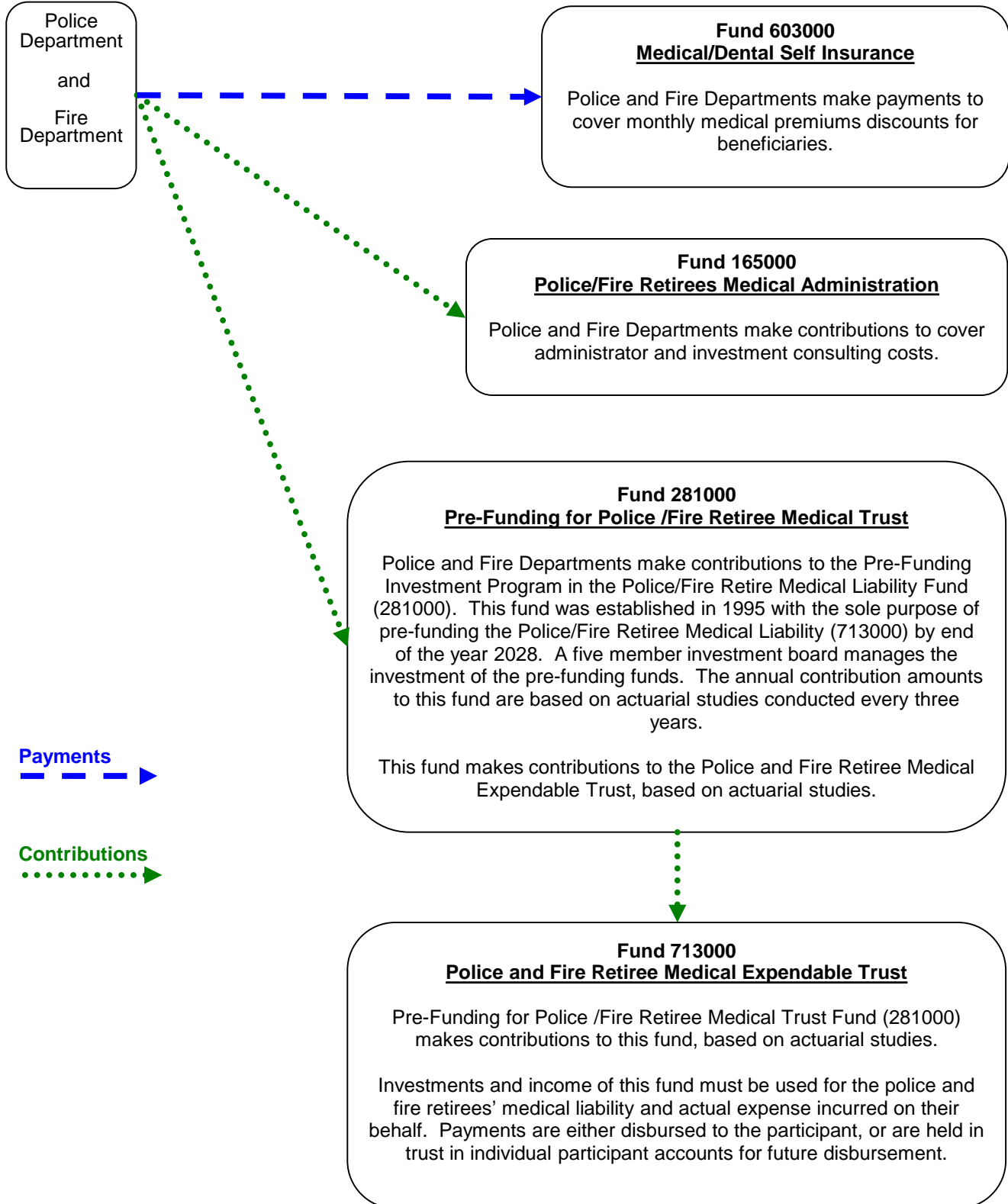


## **Appendix Q**

### **Police & Fire Retiree Medical Funding Program**



## Police & Fire Retiree Medical Funding Program Flow of Funds AMC 3.87 and AMC 3.88



## **Police & Fire Retiree Medical Funding Program**

### **Purpose**

Administer the health reimbursement arrangement (HRA) for those receiving retirement benefits under the Police and Fire Retirement System in accordance with provisions contained in AMC 3.87 and AMC 3.88.

### **Description**

Police and Fire Retiree Medical system is a defined contribution plan. The Municipality will pay a predetermined amount to a Trust, for the employee's benefit. The employee will be able to choose from a variety of options as to how to spend the money in his or her account (they are not limited to the insurance provided by the Municipality).

The membership qualifications are:

- Must be beneficiary of the Police and Fire Retirement System
- Hired prior to January 1, 1995
- Retire on or after January 1, 1995.

The program also provides coverage to spouses and eligible dependents. The system is closed; no other person is eligible to participate in the system.

Police and Fire Departments make contributions to cover administrator and investment consulting costs in Police/Fire Retirees Medical Administration Fund (165000).

Police and Fire Departments also make contributions to the Pre-Funding Investment Program in the Police/Fire Retiree Medical Liability Fund (281000). This fund was established in 1995 with the sole purpose of pre-funding, via contributions, the Police/Fire Retiree Medical Liability (713000) by end of the year 2028. A five member investment board manages the pre-funding investments. The contribution amounts to Fund 281000 are based on actuarial studies conducted every three years.

Additionally, the Police and Fire Departments pay premiums and provide monthly discounts from the stated premium to all members purchasing municipal health insurance. The Police and Fire Departments make these payments directly to the Municipal Self Insurance fund.

The Trust is administered by an eight-person board of trustees.

The operating budget for the administration of the Program and the contributions from the prefunding debt service fund to the Trust fund are appropriated as sections with the GGOB. The activity of the Trust Fund, management of the Trust and payment of medical benefits, are not budgeted or appropriated.

## Police & Fire Retiree Medical Funding Program Department Summary

	2017 Actuals	2018 Revised	2019 Proposed	19 v 18 % Chg
<b>Direct Cost by Division</b>				
Police & Fire Retiree Medical Funding Program	3,934,840	3,881,662	3,885,606	0.10%
<b>Direct Cost Total</b>	<b>3,934,840</b>	<b>3,881,662</b>	<b>3,885,606</b>	<b>0.10%</b>
<b>Intragovernmental Charges</b>				
Charges by/to Other Departments	19,864	31,893	32,239	1.08%
<b>Function Cost Total</b>	<b>3,954,704</b>	<b>3,913,555</b>	<b>3,917,845</b>	<b>0.11%</b>
Program Generated Revenue	(6,175,981)	(335,349)	(335,349)	-
<b>Net Cost Total</b>	<b>(2,221,277)</b>	<b>3,578,206</b>	<b>3,582,496</b>	<b>0.12%</b>
<b>Direct Cost by Category</b>				
Salaries and Benefits	353,056	176,964	180,908	2.23%
Supplies	-	1,280	1,280	-
Travel	-	-	-	-
Contractual/Other Services	3,581,784	3,703,418	3,703,418	-
Debt Service	-	-	-	-
<b>Direct Cost Total</b>	<b>3,934,840</b>	<b>3,881,662</b>	<b>3,885,606</b>	<b>0.10%</b>
<b>Position Summary as Budgeted</b>				
Full-Time	1	1	1	-
Part-Time	1	1	1	-
<b>Position Total</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>-</b>

## Police & Fire Retiree Medical Funding Program Division Summary

### Police & Fire Retiree Medical Funding Program

(Fund Center # 187600, 186000, 187601)

	2017 Actuals	2018 Revised	2019 Proposed	19 v 18 % Chg
<b>Direct Cost by Category</b>				
Salaries and Benefits	353,056	176,964	180,908	2.23%
Supplies	-	1,280	1,280	-
Travel	-	-	-	-
Contractual/Other Services	3,581,784	3,703,418	3,703,418	-
<b>Manageable Direct Cost Total</b>	<b>3,934,840</b>	<b>3,881,662</b>	<b>3,885,606</b>	<b>0.10%</b>
Debt Service	-	-	-	-
<b>Non-Manageable Direct Cost Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Direct Cost Total</b>	<b>3,934,840</b>	<b>3,881,662</b>	<b>3,885,606</b>	<b>-</b>
<b>Intragovernmental Charges</b>				
Charges by/to Other Departments	19,864	31,893	32,239	1.08%
<b>Function Cost Total</b>	<b>3,954,704</b>	<b>3,913,555</b>	<b>3,917,845</b>	<b>0.11%</b>
<b>Program Generated Revenue by Fund</b>				
Fund 165000 - Police/Fire Retirees Med Admin (**Moved fr GG starting in 2011**)	484,775	245,349	245,349	-
Fund 281000 - Police/Fire Ret Med Liability (**Moved fr GG starting in 2011**)	5,691,206	90,000	90,000	-
<b>Program Generated Revenue Total</b>	<b>6,175,981</b>	<b>335,349</b>	<b>335,349</b>	<b>-</b>
<b>Net Cost Total</b>	<b>(2,221,277)</b>	<b>3,578,206</b>	<b>3,582,496</b>	<b>0.12%</b>

#### Position Summary as Budgeted

Full-Time	1	1	1	-
Part-Time	1	1	1	-
<b>Position Total</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>-</b>

## Police & Fire Retiree Medical Funding Program Division Detail

### Police & Fire Retiree Medical Funding Program

(Fund Center # 187600, 186000, 187601)

	2017 Actuals	2018 Revised	2019 Proposed	19 v 18 % Chg
<b>Direct Cost by Category</b>				
Salaries and Benefits	353,056	176,964	180,908	2.23%
Supplies	-	1,280	1,280	-
Travel	-	-	-	-
Contractual/Other Services	3,581,784	3,703,418	3,703,418	-
<b>Manageable Direct Cost Total</b>	<b>3,934,840</b>	<b>3,881,662</b>	<b>3,885,606</b>	<b>0.10%</b>
Debt Service	-	-	-	-
<b>Non-Manageable Direct Cost Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Direct Cost Total</b>	<b>3,934,840</b>	<b>3,881,662</b>	<b>3,885,606</b>	<b>0.10%</b>
<b>Intragovernmental Charges</b>				
Charges by/to Other Departments	19,864	31,893	32,239	1.08%
<b>Program Generated Revenue</b>				
406625 - Reimbursed Cost-NonGrant Funded	-	47,755	47,755	-
408380 - Prior Year Expense Recovery	86,307	-	-	-
440010 - GCP CshPool ST-Int(MOA/ML&P)	2,042	-	-	-
440050 - Other Int Income	156,715	90,000	90,000	-
440070 - Dividend Income	598,218	-	-	-
440080 - UnRlzd Gns&Lss Invs(MOA/AWWU)	4,214,352	-	-	-
440090 - RlzdGns&LsOnSleofInv	723,160	-	-	-
450010 - Contributions from Other Funds	395,188	197,594	197,594	-
<b>Program Generated Revenue Total</b>	<b>6,175,981</b>	<b>335,349</b>	<b>335,349</b>	<b>-</b>
<b>Net Cost</b>				
Direct Cost Total	3,934,840	3,881,662	3,885,606	0.10%
Charges by/to Other Departments Total	19,864	31,893	32,239	1.08%
Program Generated Revenue Total	(6,175,981)	(335,349)	(335,349)	-
<b>Net Cost Total</b>	<b>(2,221,277)</b>	<b>3,578,206</b>	<b>3,582,496</b>	<b>0.12%</b>

#### Position Detail as Budgeted

	2017 Revised		2018 Revised		2019 Proposed	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Special Admin Assistant I	-	1	-	1	-	1
Special Admin Assistant II	-	-	-	-	1	-
Special Admin Officer II	1	-	1	-	-	-
<b>Position Detail as Budgeted Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>