

*See AO 2008-100(S)*

Submitted by: Chair of the Assembly at  
the Request of the Mayor  
Prepared by: Finance  
For reading: September 9, 2008

ANCHORAGE, ALASKA  
AO No. 2008-100

AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE SECTIONS  
3.87.020, 3.87.050, 3.87.060 AND 3.87.070, TO PROVIDE A RETIREE MEDICAL  
FUNDING PROGRAM FOR CERTAIN POLICE OFFICERS AND FIRE  
FIGHTERS.

THE ANCHORAGE ASSEMBLY ORDAINS:

**Section 1.** Anchorage Municipal Code section 3.87.020 is amended to add 2  
new definitions to read as follows (*the remainder of the section is not affected and  
therefore not set out*):

**3.87.020**      **Definitions.**

The following words, terms and phrases, when used in this chapter, shall  
have the meanings ascribed to them in this section, except where the  
context clearly indicates a different meaning:

\*\*\*      \*\*\*      \*\*\*

High Deductible Health Plan has the meaning assigned by Section 223,  
Internal Revenue Code of 1986. The Municipality will set annual  
deductibles for its high deductible health plan to coincide with IRS minimum  
deductibles, once IRS minimum deductibles rise to current municipal  
deductibles, and thereafter.

\*\*\*      \*\*\*      \*\*\*

Presumed Disability means certain diseases known to occur with greater  
frequency among fire fighters than among the general population. For  
purposes of determining a member's status for section 3.87.050A.1., the  
Municipality will consider members with presumed disabilities, as  
determined under AS 23.30, to be Class 1 members for the purpose of  
calculating the monthly discount described in 3.87.050 A.1.

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(AO No. 94-222(S-1), § 1, 12-28-94; AO No. 96-158(S), § 1, 12-17-96; AO  
No. 97-104, § 1, 8-19-97; AO No. 2003-141, § 1, 10-21-03)

**Note to code revisor: Please insert new definitions alphabetically into section 3.87.020.**

**Section 2.** Anchorage Municipal Code section 3.87.050, Eligibility for Active Municipal Police or Fire Health Insurance Plan, is amended to read as follows (*the remainder of the section is not affected and therefore not set out*):

**3.87.050 Eligibility for active municipal police or fire health insurance plan.**

A. Within 31 days of appointment to retirement, a member may elect to continue participation in the active police or fire health insurance plan. If a member elects to continue participation at such time, proof of insurability shall not be required and preexisting condition clauses shall not apply. The required active insurance premium for such coverage must be paid from the member's HRA account as a qualified payment. To the extent that the amount credited to the member's premium account is not sufficient to pay the full required active insurance premium, the member shall be required to contribute the balance of the required active insurance premium to the active municipal police or fire health insurance plan. This may be by voluntarily electing to take the payment from the member's retirement benefit from the police and fire retirement system, or other forms of payment deemed acceptable by the Municipality of Anchorage, including but not limited to the authorized deduction from the member's spouse that is also a member of the program.

1. The Municipality shall provide a monthly discount from the stated premium to all members purchasing municipal health insurance. This monthly discount will be equal to the high deductible health plan monthly premium minus the monthly Class 1 contribution.

a. Members who purchase municipal health insurance are not restricted to the high deductible health plan. The member may elect another eligible health plan and still receive the benefit of the monthly discount.

2 [1]. In the event that a member's permanent disability benefits are awarded retroactively, the member shall have 31 days from the date of the police and fire retirement board's decision to

grant permanent disability benefits to elect to participate in the active police or fire health insurance plan without being subject to proof of insurability or preexisting condition clauses. However, such participation will be effective on the first of the month following such election; coverage is not retroactive.

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(AO No. 94-222(S-1), § 1, 12-28-94; AO No. 97-104, § 4, 8-19-97;  
AO No. 2003-141, § 1, 10-21-03; AO No. 2005-153, § 2, 11-8-05)  
Note: Formerly § 3.87.060.

**Section 3.** Anchorage Municipal Code section 3.87.060, Health Reimbursement Arrangement, is amended to read as follows (*the remainder of the section is not affected and therefore not set out*):

**3.87.060      Health reimbursement arrangement.**

**A.      Contributions by the municipality.**

\*\*\*      \*\*\*      \*\*\*

4. For the years after the first year of membership, the contribution amount shall be the member's initial contribution amount adjusted annually in accordance with the CPI factors described below:

TABLE INSET:

<u>Class</u>	Retirement Age	OR	Service at Retirement	Annual Adjustment
<u>1.</u>	60 or older		25 years	75 percent of medical CPI
<u>2.</u>	55--59			50 percent of medical CPI
<u>3.</u>	50--54		20--24 years	50 percent of medical CPI, with a maximum of 6 percent
<u>4.</u>	Less than 50		0--19 years	25 percent of medical CPI, with a maximum of 3 percent

\*\*\*      \*\*\*      \*\*\*

H. *Special rule for members disabled in the line of duty.*

\*\*\*      \*\*\*      \*\*\*

5. Members retired due to permanent occupational disability or reclassified as permanent occupational disability, as defined in chapter 3.85, shall be entitled to Class 1 benefits to remediate the diminution of benefits a member would have been entitled to if the member had continued in service until normal retirement age.

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(AO No. 94-222(S-1), § 1, 12-28-94; Ord. No. 96-158(S), § 2, 1-1-96; AO No. 97-104, § 3, 8-19-97; AO No. 2003-141, § 1, 10-21-03; AO No. 2005-153, § 3, 11-8-05)

Note: Formerly §§ 3.87.050 and 3.87.070.

**Section 4.** Anchorage Municipal Code section 3.87.070 is amended to read as follows (*the remainder of the section is not amended and therefore not set out*):

**3.87.070**      **Amendment and termination of the police and fire retiree medical funding program.**

- A. Every five years from January 1, 1995, the assembly will review the operation of the program including the amount of the initial monthly contribution established in Section 3.87.060 to be made by the municipality.

1. The Internal Auditor will perform an audit of the trust once every two years. The scope of the audit may include, but is not limited to evaluating administrative costs, and reviewing enrollment and payment records for members purchasing health insurance through the Municipality.
2. The results of the annual internal audit procedures shall be submitted to the Board of Trustees and Municipal Assembly for review.

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(AO No. 94-222(S-1), § 1, 12-28-94; AO No. 2003-141, § 1, 10-21-03)

*Note:* Formerly § 3.87.080.

**Section 5.** This ordinance is effective immediately upon passage and approval of the Anchorage Assembly.

PASSED AND APPROVED by the Anchorage Assembly this \_\_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Municipal Clerk

**MUNICIPALITY OF ANCHORAGE**  
**Summary of Economic Effects -- General Government**

AO Number: 2008-100

Title: AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY  
AMENDING ANCHORAGE MUNICIPAL CODE CHAPTER 3.87  
PROVIDING FOR A RETIREE MEDICAL FUNDING PROGRAM FOR  
CERTAIN POLICE OFFICERS AND FIRE FIGHTERS.

Sponsor: Mayor  
Preparing Agency: Finance  
Others Impacted:

Others Impacted:					
<b>CHANGES IN EXPENDITURES AND REVENUES:</b>					
	(In Thousands of Dollars)				
	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>
<b>Operating Expenditures</b>					
1000 Personal Services	\$ 300,000	\$ 400,000	\$ 400,000	\$ 500,000	\$ 600,000
2000 Non-Labor					
3900 Contributions					
4000 Debt Service					
<b>TOTAL DIRECT COSTS:</b>	<b>\$ 300,000</b>	<b>\$ 400,000</b>	<b>\$ 400,000</b>	<b>\$ 500,000</b>	<b>\$ 600,000</b>
Add: 6000 Charges from Others					
Less: 7000 Charges to Others					
<b>FUNCTION COST:</b>	<b>\$ 300,000</b>	<b>\$ 400,000</b>	<b>\$ 400,000</b>	<b>\$ 500,000</b>	<b>\$ 600,000</b>
<b>REVENUES:</b>					
<b>CAPITAL:</b>					
<b>POSITIONS: FT/PT and Temp</b>					
<b>PUBLIC SECTOR ECONOMIC EFFECTS:</b>					
None.					

**PRIVATE SECTOR ECONOMIC EFFECTS:**

None.

Prepared by: Sharon Weddleton, CFO

Telephone: 343-6619



# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

No. AM 560-2008

Meeting Date: September 9, 2008

FROM: MAYOR

SUBJECT: AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE SECTIONS 3.87.020, 3.87.050, 3.87.060 AND 3.87.070, TO PROVIDE FOR A RETIREE MEDICAL FUNDING PROGRAM FOR CERTAIN POLICE OFFICERS AND FIRE FIGHTERS

This ordinance is presented to the Anchorage Assembly to partially remediate the funding deficiencies incurred by certain Police Officers and Fire Fighters receiving medical insurance funding pursuant to the retiree medical funding program for police officers and fire fighters contained in Anchorage Municipal Code chapter 3.87. The ordinance amends Anchorage Municipal Code sections 3.87.020, 3.87.050, 3.87.060, and 3.87.070 by adding provisions for:

1. A monthly discount for members who purchase health insurance through the Municipality of Anchorage. Though the discount is set as the Municipality's high deductible health plan premium less the monthly Class 1 contribution, the discount is available to all members who purchase health insurance through the Municipality of Anchorage, irrespective of the eligible plan the member elects and irrespective of the member's assigned Class.
2. An adjustment to the benefit received by members receiving a permanent occupational disability retirement. For the purposes of the medical insurance funding, pursuant to the retiree medical funding program for police officers and fire fighters contained in chapter 3.87, members receiving a permanent occupational disability are treated as Class 1 members.
3. An adjustment to the benefit received by members deemed to have suffered a presumed disability. Presumed disabilities represent certain diseases known to occur with greater frequency among firefighters than among the general population. For the purposes of the medical insurance funding, pursuant to the retiree medical funding program for police officers and fire fighters contained in chapter 3.87, members who are determined under Alaska Statutes Chapter 23.30 to possess a presumed disability, and

1 who purchase health insurance through the Municipality of Anchorage, are  
2 treated as Class 1 members for the purpose of calculating the monthly  
3 discount described in section 3.87.050A.1.

4 This ordinance also adds a new subsection 3.87.050A.1., providing for the  
5 Municipality of Anchorage to give a monthly discount from the stated monthly  
6 premium to all members purchasing Municipality of Anchorage health insurance.  
7 This monthly discount is equal to the monthly high deductible health plan premium  
8 minus the monthly Class 1 contribution. The effect of this amendment is  
9 consistent with all federal, state, and Internal Revenue Code requirements.  
10 Passage of this ordinance is in lieu of the previously introduced series of  
11 ordinances.  
12

13 On August 12, 2008 this proposal was presented to the Anchorage Police Fire and  
14 Retiree Medical Trust Board who passed a resolution, attached hereto and  
15 incorporated herein as Exhibit A, supporting the Assembly's adoption of this  
16 ordinance.  
17

18  
19 **THE ADMINISTRATION RECOMMENDS ADOPTION OF AN ORDINANCE**  
20 **AMENDING ANCHORAGE MUNICIPAL CODE SECTIONS 3.87.020, 3.87.050,**  
21 **3.87.060 AND 3.87.070, TO PROVIDE A RETIREE MEDICAL FUNDING**  
22 **PROGRAM FOR CERTAIN POLICE OFFICERS AND FIRE FIGHTERS.**  
23

24  
25 Prepared by: Finance  
26 Approved by: Sharon Weddleton, CFO  
27 Concur: James N. Reeves, Municipal Attorney  
28 Concur: Michael K. Abbott, Municipal Manager  
29 Respectfully Submitted, Mark Begich, Mayor  
30



**POLICE AND FIRE RETIREE MEDICAL TRUST BOARD  
RESOLUTION NO. 2008-2**

**A RESOLUTION OF THE POLICE AND FIRE MEDICAL TRUST BOARD SUPPORTING  
THE ADOPTION OF ORDINANCE 2008-\_\_\_\_ PROVIDING FOR A PREMIUM DISCOUNT  
FOR MEMBERS PURCHASING MUNICIPALITY OF ANCHORAGE HEALTH INSURANCE.**

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**WHEREAS**, on April 15, 2008 the Anchorage Police and Fire Retiree Medical Trust submitted a series of ordinances to the Anchorage Assembly providing for amendments to the retiree medical funding program for police officers and fire fighters, and

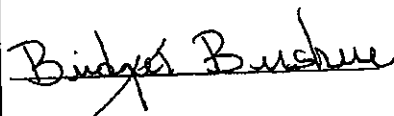
**WHEREAS** after discussions of a means to provide assistance to Trust members who purchase health insurance through the Municipality of Anchorage by implementing a monthly discount and an adjustment to benefits received by members receiving a permanent occupational disability retirement, the Anchorage Police and Fire Retirees Medical Trust Board has determined that this approach is satisfactory and should accomplish the objective to provide fair health benefits to its retired police officers and fire fighters, and

**WHEREAS**, after reviewing this approach the Anchorage Police and Fire Retiree Medical Trust Board supports its adoption by the Anchorage Assembly; now, therefore,

**BE IT RESOLVED**, the Anchorage Police and Fire Retiree Medical Trust Board hereby supports the Assembly's adoption of AO 2008-\_\_\_\_\_.

**PASSED AND APPROVED** by the Anchorage Police and Fire Retiree Medical Trust Board this 12<sup>th</sup> day of August, 2008.

**ATTEST:**



**Content ID:** 006755**Type:** Ordinance - AO

Amending AMC Sections 3.87.020, 3.87.050, 3.87.060 and 3.87.070, to

**Title:** Provide a Retiree Medical Funding Program for Certain Police Officers and Fire Fighters, Finance**Author:** maglaquijp**Initiating Dept:** Finance**Keywords:** Retire Medical, Police and Fire Fighters, Medical Benefits, Funding Program, P&FRM**Date Prepared:** 8/29/08 8:13 AM**Director Name:** Sharon Weddleton**Assembly** 9/9/08**Meeting Date:****Public Hearing** 9/30/08**Date Y:**

<b>Workflow Name</b>	<b>Action Date</b>	<b>Action</b>	<b>User</b>	<b>Security Group</b>	<b>Content ID</b>
Clerk_Admin_SubWorkflow	8/29/08 1:53 PM	Exit	Heather Handyside	Public	006755
MuniMgrCoord_SubWorkflow	8/29/08 1:53 PM	Approve	Heather Handyside	Public	006755
MuniManager_SubWorkflow	8/29/08 1:45 PM	Approve	Michael Abbott	Public	006755
MuniManager_SubWorkflow	8/29/08 11:45 AM	Checkin	Joy Maglaqui	Public	006755
Legal_SubWorkflow	8/29/08 11:41 AM	Approve	Dean Gates	Public	006755
OMB_SubWorkflow	8/29/08 8:39 AM	Approve	Wanda Phillips	Public	006755
Finance_SubWorkflow	8/29/08 8:21 AM	Approve	Sharon Weddleton	Public	006755
AllOrdinanceWorkflow	8/29/08 8:19 AM	Checkin	Nina Pruitt	Public	006755