

CLERK'S OFFICE

APPROVED

Date: 8-11-09

Submitted by: Chairman of the Assembly
at the Request of the Mayor

Prepared by: Finance

For reading: September 9, 2008

**ANCHORAGE, ALASKA
AR NO. 2008-185**

**A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY SUPPORTING THE
APPROVAL OF AN INCREASE IN THE EMPLOYER CONTRIBUTION TO THE POLICE
AND FIRE RETIREES MEDICAL BENEFITS.**

WHEREAS, in 1994 the Anchorage Assembly adopted AO 94-222(S-1) establishing Chapter 3.87 of the Anchorage Municipal Code (AMC) providing a retiree medical funding program for police officers and firefighters; and

WHEREAS, AO 94-222(S-1) was accompanied by Assembly Memorandum 1298-94, which sought to explain the police and fire retiree medical funding program adopted by the Assembly. AM 1298-94, and AO 94-222(S-1) note that there are four classes of retirees who are subject to differing factors as follows:

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

WHEREAS, AMC subsection 3.87.050H. establishes a special rule for retirees who are totally or permanently disabled in the line duty; and

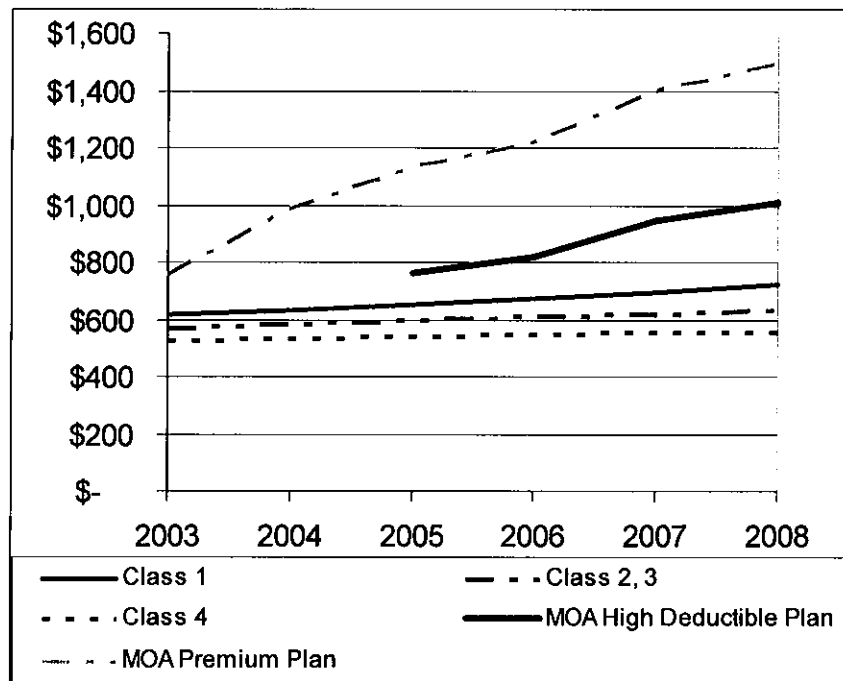
WHEREAS, once a non-Public Employee Retirement System ("PERS") sworn employee retirees the municipality will pay a predetermined amount to the trust for the employees benefit; and

WHEREAS, the employee will be able to select options to use the money for reimbursement of medical expenses; and

WHEREAS, the system established by the agreement between the municipality and the police and firefighters worked as projected until the era of escalating medical costs diminished the police and fire retirees' ability to purchase insurance, since the contribution by the municipality for each of the police and fire retiree classes is substantially less than the cost of the Municipality of Anchorage ("MOA") medical insurance premium as exhibited by the following table and graph:

Police & Fire Retirees Medical Benefits
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	2003	2004	2005	2006	2007	2008
Class 1	\$ 615	\$ 634	\$ 655	\$ 675	\$ 696	\$ 721
Class 2, 3	\$ 571	\$ 582	\$ 596	\$ 607	\$ 620	\$ 635
Class 4	\$ 529	\$ 534	\$ 540	\$ 546	\$ 551	\$ 558
MOA Premium Plan	\$ 756	\$ 991	\$ 1,140	\$ 1,222	\$ 1,407	\$1,496
MOA High Deductible Plan			\$ 765	\$ 820	\$ 944	\$1,010



WHEREAS, pensions are designed for protection against economic insecurity for public employees and their families; and

WHEREAS, a primary objective of pension and medical benefits is to induce competent persons to remain in public employment; and

WHEREAS, the police and firefighters who have retired under the system established by AMC ch. 3.87 have provided steadfast service to the municipality and its citizens and are subject to economic insecurity due to the increase in medical premiums for medical insurance; and

WHEREAS, it is the opinion of the Assembly that the municipality has an obligation to increase the insurance contribution for the police and fire retirees so they are protected from economic insecurity,

NOW THEREFORE BE IT RESOLVED:

The Anchorage Assembly hereby approves amending Anchorage Municipal Code chapter 3.87 to provide a monthly discount from the stated monthly premium to all members purchasing Municipality of Anchorage health insurance and providing supplemental benefits to occupationally disabled and presumptive disabled police officers and firefighters.

PASSED AND APPROVED by the Anchorage Assembly this 11th day of August, 2009.

Debbie Osseander
Chair

ATTEST:

Salma S. Gunt
Municipal Clerk