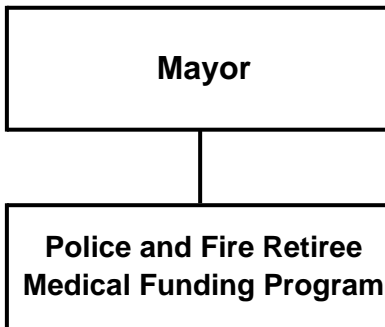


## **Appendix P**

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



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

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### **Purpose**

To 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 (213).

Police and Fire Departments also make contributions to the Pre-Funding Investment Program in the Police/Fire Retire Medical Liability Fund (313). This fund was established in 1995 with the sole purpose of pre-funding, via contributions, the Police/Fire Retiree Medical Liability (713) by 2014 (now 2021). A five member investment board manages the pre-funding investments. The contribution amounts to Fund 313 are based on actuarial studies conducted every three years (AMC 3.88).

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.

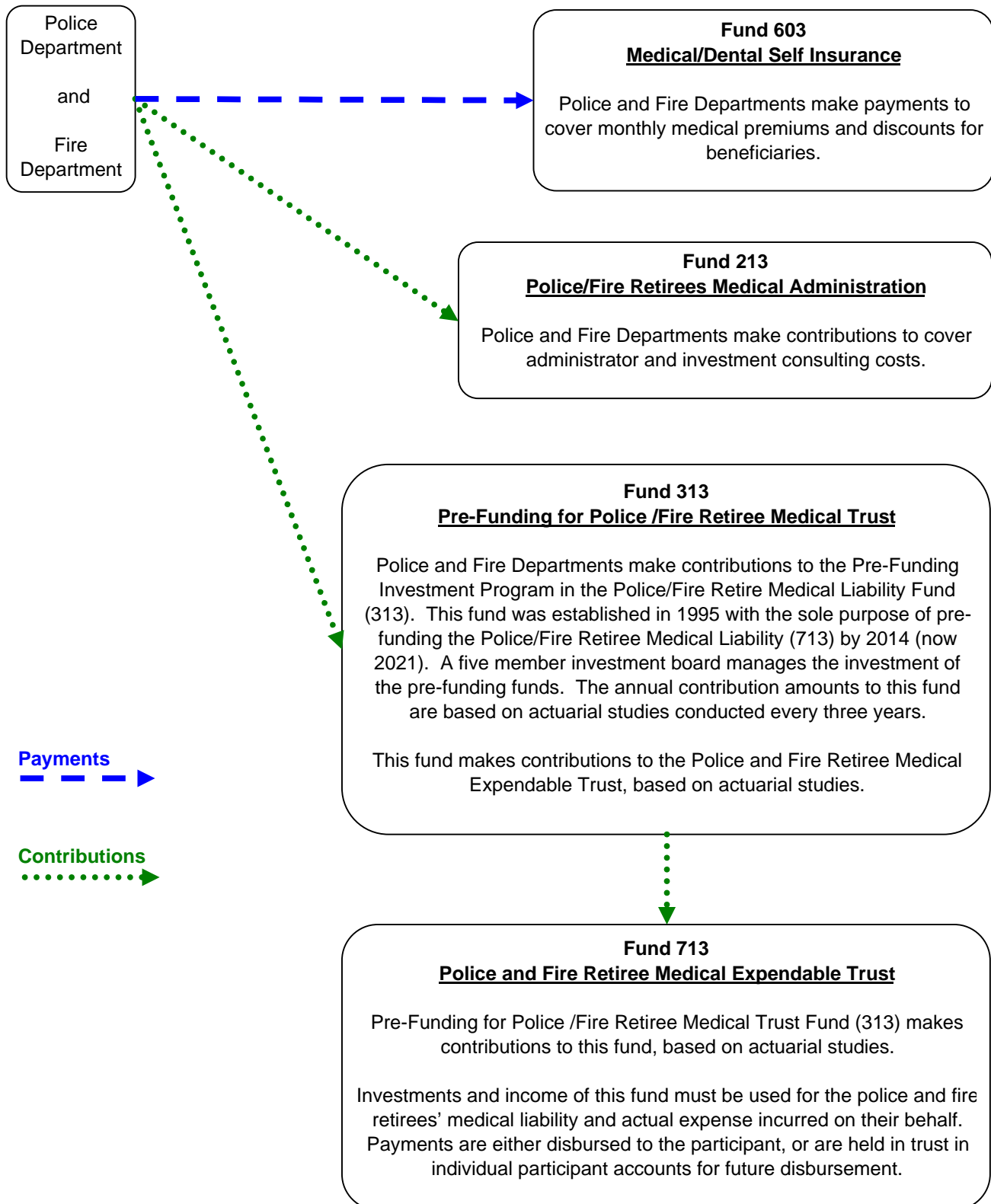
The Trust is administered by an eight-person board of trustees.

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 a sections with the GGOB (see page T – 4, Sections 5 and 8). The activity of the Trust Fund, management of the Trust and payment of medical benefits, are not budgeted or appropriated.

## Police and Fire Retiree Medical Funding Program

### Flow of Funds

**AMC 3.87 and AMC 3.88**



## Police and Fire Retiree Medical Funding Program Department Summary

	2010 Actuals	2011 Revised	2012 Approved	12 v 11 % Chg
<b>Direct Cost by Division</b>				
Police and Fire Retiree Medical Funding Program	2,873,517	3,091,199	3,200,201	3.53%
<b>Direct Cost Total</b>	<b>2,873,517</b>	<b>3,091,199</b>	<b>3,200,201</b>	<b>3.53%</b>
<b>Intragovernmental Charges</b>				
Charges by Other Departments	60,035	1,550	1,426	<8.03%>
Charges to Other Departments	(192,551)	-	-	
<b>Function Cost Total</b>	<b>2,741,000</b>	<b>3,092,749</b>	<b>3,201,626</b>	<b>3.52%</b>
Program Generated Revenue	(3,399,244)	(273,145)	(273,145)	-
<b>Net Cost Total</b>	<b>(658,243)</b>	<b>2,819,604</b>	<b>2,928,481</b>	<b>3.86%</b>
<b>Direct Cost by Category</b>				
Personnel	110,644	118,795	119,829	0.87%
Supplies	-	1,280	1,280	-
Travel	-	-	-	-
Contractual/Other Services	2,762,873	2,971,124	3,079,092	3.63%
Debt Service/Depreciation	-	-	-	-
<b>Direct Cost Total</b>	<b>2,873,517</b>	<b>3,091,199</b>	<b>3,200,201</b>	<b>3.53%</b>
<b>Position Summary as Budgeted</b>				
Full-Time	1	1	1	
Part-Time	-	-	-	
<b>Position Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	

## Police and Fire Retiree Medical Funding Program Division Summary

### Police and Fire Retiree Medical Funding Program

(Dept ID # 1860, 1876)

	2010 Actuals	2011 Revised	2012 Approved	12 v 11 % Chg
<b>Direct Cost by Category</b>				
Salaries and Benefits	110,644	118,795	119,829	0.87%
Supplies	-	1,280	1,280	-
Travel	-	-	-	-
Contractual/Other Services	2,762,873	2,971,124	3,079,092	3.63%
<b>Manageable Direct Cost Total</b>	<b>2,873,517</b>	<b>3,091,199</b>	<b>3,200,201</b>	<b>3.53%</b>
Debt Service, Depreciation	-	-	-	-
<b>Direct Cost Total</b>	<b>2,873,517</b>	<b>3,091,199</b>	<b>3,200,201</b>	<b>3.53%</b>

#### Revenue by Fund

Fund 213 - Police/Fire Retirees Med Admin	221	183,145	183,145	-
Fund 313 - Police/Fire Ret Med Liability	3,399,023	90,000	90,000	-
<b>Revenue Total</b>	<b>3,399,244</b>	<b>273,145</b>	<b>273,145</b>	<b>-</b>

#### Positions as Budgeted

	2010 Revised		2011 Revised		2012 Approved	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Senior Admin Officer	1	-	1	-	1	-
<b>Positions as Budgeted Total</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>

# Police and Fire Retiree Medical Funding Program

## Division Detail

### Police and Fire Retiree Medical Funding Program

(Dept ID # 1860, 1876)

	2010 Actuals	2011 Revised	2012 Approved	12 v 11 % Chg
<b>Direct Cost by Category</b>				
<b>Salaries and Benefits</b>				
1101 - Straight Time Labor	67,282	73,303	74,792	2.03%
1201 - Overtime	344	-	-	-
1301 - Leave/Holiday Accruals	4,520	4,857	1,496	<69.20%>
1401 - Benefits	38,498	40,635	43,541	7.15%
<b>Salaries and Benefits Total</b>	<b>110,644</b>	<b>118,795</b>	<b>119,829</b>	<b>0.87%</b>
<b>Supplies</b>	-	1,280	1,280	-
<b>Travel</b>	-	-	-	-
<b>Contractual/Other Services</b>	2,762,873	2,971,124	3,079,092	3.63%
<b>Manageable Direct Cost Total</b>	<b>2,873,517</b>	<b>3,091,199</b>	<b>3,200,201</b>	<b>3.53%</b>
<b>Debt Service, Depreciation</b>	-	-	-	-
<b>Direct Cost Total</b>	<b>2,873,517</b>	<b>3,091,199</b>	<b>3,200,201</b>	<b>3.53%</b>
<b>Intra-Governmental Charges</b>				
Charges By Other Departments	60,035	1,550	1,426	<8.03%>
Charges To Other Departments	(192,551)	-	-	-
<b>Program Generated Revenue</b>				
9601 - Contributions Other Funds	-	182,535	182,535	-
9745 - Gain Sale Of Investments	24,883	-	-	-
9761 - Cash Pools Short-Term Int	145	610	610	-
9765 - Other Interest Income	180,431	90,000	90,000	-
9766 - Dividend Income	615,866	-	-	-
9767 - Unrealized Gains & Losses	2,577,919	-	-	-
<b>Program Generated Revenue Total</b>	<b>3,399,244</b>	<b>273,145</b>	<b>273,145</b>	<b>-</b>
<b>Net Cost</b>				
Manageable Direct Cost	2,873,517	3,091,199	3,200,201	3.53%
Debt Service, Depreciation	-	-	-	-
Charges By Other Departments	60,035	1,550	1,426	<8.03%>
Charges To Other Departments	(192,551)	-	-	-
Program Generated Revenue	(3,399,244)	(273,145)	(273,145)	-
<b>Net Cost Total</b>	<b>(658,243)</b>	<b>2,819,604</b>	<b>2,928,481</b>	<b>3.86%</b>