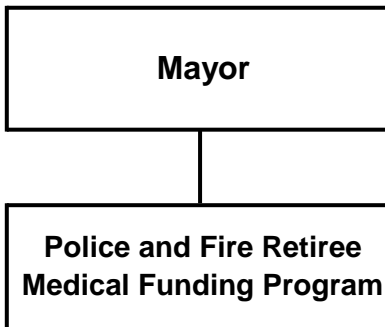


Appendix P

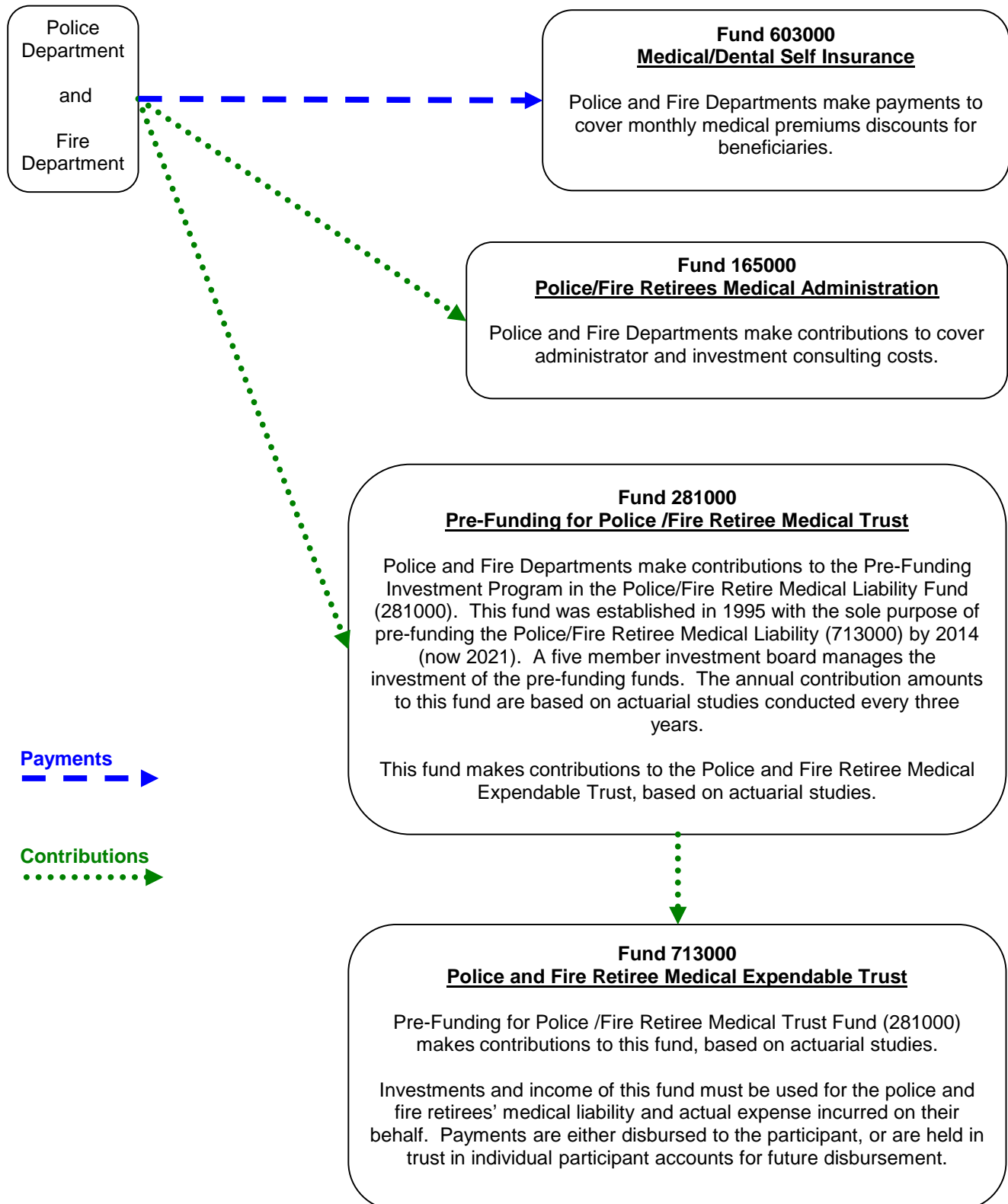
Police and Fire Retiree Medical Funding Program



Police and Fire Retiree Medical Funding Program

Flow of Funds

AMC 3.87 and AMC 3.88



Police and 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 Retire 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 2014 (now 2021). 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 (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. 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 Department Summary

	2012 Actuals	2013 Revised	2014 Proposed	14 v 13 % Chg
Direct Cost by Division				
Police and Fire Retiree Medical Funding Program	3,078,670	3,273,185	3,398,729	3.84%
Direct Cost Total	3,078,670	3,273,185	3,398,729	3.84%
Intragovernmental Charges				
Charges by Other Departments	917	16,739	91,969	449.43%
Function Cost Total	3,079,587	3,289,924	3,490,698	6.10%
Program Generated Revenue	4,138,877	(276,308)	(284,548)	2.98%
Net Cost Total	7,218,464	3,013,616	3,206,150	6.39%
<hr/>				
Direct Cost by Category				
Salaries and Benefits	119,837	124,117	128,231	3.31%
Supplies	-	1,280	1,280	-
Travel	-	-	-	-
Contractual/Other Services	2,957,575	3,147,788	3,269,218	3.86%
Debt Service	-	-	-	-
Equipment, Furnishings	1,258	-	-	-
Direct Cost Total	3,078,670	3,273,185	3,398,729	3.84%
<hr/>				
Position Summary as Budgeted				
Full-Time	1	1	1	
Part-Time	-	-	-	
Position Total	1	1	1	

Police and Fire Retiree Medical Funding Program Division Summary

Police and Fire Retiree Medical Funding Program

(Fund Center # 186000, 187600)

	2012 Actuals	2013 Revised	2014 Proposed	14 v 13 % Chg
Direct Cost by Category				
Salaries and Benefits	119,837	124,117	128,231	3.31%
Supplies	-	1,280	1,280	-
Travel	-	-	-	-
Contractual/Other Services	2,957,575	3,147,788	3,269,218	3.86%
Equipment, Furnishings	1,258	-	-	-
Manageable Direct Cost Total	3,078,670	3,273,185	3,398,729	3.84%
Debt Service	-	-	-	-
Direct Cost Total	3,078,670	3,273,185	3,398,729	3.84%
Revenue by Fund				
Fund 165000 - Police/Fire Retirees Med Admin	(185,156)	186,308	194,548	4.42%
Fund 281000 - Police/Fire Ret Med Liability	(3,953,721)	90,000	90,000	-
Revenue Total	(4,138,877)	276,308	284,548	2.98%

Positions as Budgeted

	2012 Revised		2013 Revised		2014 Proposed	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Senior Admin Officer	1	-	1	-	1	-
Positions as Budgeted Total	1	-	1	-	1	-

Police and Fire Retiree Medical Funding Program

Division Detail

Police and Fire Retiree Medical Funding Program

(Fund Center # 186000, 187600)

	2012 Actuals	2013 Revised	2014 Proposed	14 v 13 % Chg
Direct Cost by Category				
Salaries and Benefits	119,837	124,117	128,231	3.31%
Supplies	-	1,280	1,280	-
Travel	-	-	-	-
Contractual/Other Services	2,957,575	3,147,788	3,269,218	3.86%
Equipment, Furnishings	1,258	-	-	-
Manageable Direct Cost Total	3,078,670	3,273,185	3,398,729	3.84%
Debt Service	-	-	-	-
Direct Cost Total	3,078,670	3,273,185	3,398,729	3.84%
Intra-Governmental Charges				
Charges by Other Departments	917	16,739	91,969	449.43%
Program Generated Revenue				
440010 - GCP CshPool ST-Int	(2,095)	610	610	-
440050 - Other Int Income	(176,771)	90,000	90,000	-
440070 - Dividend Income	(645,829)	-	-	-
440080 - UnRlzd Gns&Lss Invs	(2,272,961)	-	-	-
440090 - RlzdGns&LsOnSleofInv	(858,685)	-	-	-
450010 - Contr Other Funds	(182,535)	185,698	193,938	4.44%
Program Generated Revenue Total	(4,138,877)	276,308	284,548	2.98%
Net Cost				
Manageable Direct Cost	3,078,670	3,273,185	3,398,729	3.84%
Debt Service	-	-	-	-
Charges by Other Departments	917	16,739	91,969	449.43%
Program Generated Revenue	4,138,877	(276,308)	(284,548)	2.98%
Net Cost Total	7,218,464	3,013,616	3,206,150	6.39%