



Legislation Text

File #: 080155., **Version:** 1

RETIREE HEALTH INSURANCE PROGRAM AND TRUST FUND (B)

Ordinance No. 0-08-52

An ordinance of the City of Gainesville, Florida, relating to the City's retiree health insurance program and trust fund, terminating the existing program and trust, creating a new retiree health insurance program and trust fund as Article XII of Chapter 2 of the City of Gainesville Code of Ordinances; describing contributions and benefits provided under the program and Trust, providing for administration of the program and Trust; and protection against creditors; providing directions to the codifier; providing a severability clause; providing a repealing clause; and providing an effective date with retrospective application.

The City Commission adopt the proposed ordinance.

On April 28, 2008, the City Commission first considered a recommendation to terminate the existing Retiree Health Insurance Trust Fund and utilize a portion of those funds to fund a new Retiree Health Insurance Program and Trust Fund, with a different formula for determining City contributions towards retiree health insurance premiums costs. Technical changes relating to compliance with Governmental Accounting Standard Board's (GASB) most recent pronouncements on post employment benefits (GASB43 and GASB45) would be reflected in the new trust document.

On June 6, 2008, additional presentations regarding potential changes to the formula utilized to determine the City's contribution towards the premium were presented.

On July 14, 2008, the City Commission directed the City Attorney to draft and the Clerk of Commission to advertise an ordinance effectuating the above, adopting a formula for City contributions utilizing what was characterized as Option 4(c). This generally provides for contributions based upon \$10 per year of credited service, with \$5 per year age adjustments, requiring the retiree to pay at least the same amount as an active employee in the same tier, and providing for an annual adjustment equal to 1/2 of the percentage change in the health insurance premium compared to the proceeding year.

As presented to the City Commission, the changes described above, and the termination of the existing trust and creation of new trust will occur January 1, 2009. Persons retired prior to September 2008, shall be considered current retirees. This will provide some transition/planning period, particularly for current retirees, before the change in formula takes effect.

This ordinance requires two hearings. Should the City Commission pass this ordinance on first reading, second and final reading will be held on Thursday, September 4, 2008.