



### **Agenda Item Details**

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Meeting	Mar 13, 2013 - City Commission Meeting
Category	13. POLICY FORMATION AND DIRECTION
Subject	13.05 Approval of Commission Policy 150 – Retiree Healthcare---JIM COOKE, TREASURER-CLERK
Access	Public
Type	Action, Discussion
Fiscal Impact	No
Recommended Action	Option 1 - Ratify the attached rules as City Commission Policy 150 – Retiree Healthcare with a requirement for review in 2018.

### **Public Content**

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**FOR INFORMATION CONTACT: James O. Cooke, IV at (850)891-8131**

### **STATEMENT OF ISSUE**

A 2009 audit discovered that practices governing the administration of retiree healthcare had not been codified into a formal policy. The audit recommended that a City Commission policy be created to address the issue. A policy was drafted in 2010 and has been in use since its creation. The Financial Viability of the Government (FCV) Target Issue Committee discussed this policy in 2010 and 2012 but delayed action based on broader healthcare discussions. In February 2013, the FVG approved the policy for City Commission consideration.

This new policy outlines certain provisions concerning retiree healthcare, including rules for new retirees, deferred retirees, long-term vested retirees, and retiree beneficiaries. Certain of these provisions would allow an employee to terminate service with the City and delay their retirement, but still remain on the City's healthcare plan if the individual paid the full cost. Upon retirement, the participant would then be eligible for any reduced costs available to retirees. Since implementation in 2010, only one participant has chosen to exercise this option. Additionally, Buck Consultants was asked to determine whether allowing individuals the flexibility to remain on the plan at full cost and then receive a reduced retiree rate at a later time would have any financial impact to the City. Buck responded that based on their assessment of the rules implemented, there would be no measurable cost to the City of Tallahassee.

### **RECOMMENDED ACTION**

Ratify the attached rules as City Commission Policy 150 – Retiree Healthcare with a requirement for review in 2018.

### **FISCAL IMPACT**

Buck Consultants has determined that these rules will result in no additional measurable financial impact to the City of Tallahassee beyond the cost of subsidizing retiree healthcare at the approved rate. The "approved rate" is the amount approved annually at the sole discretion of the City Commission.

### **SUPPLEMENTAL MATERIAL / ISSUE ANALYSIS**

## **HISTORY / FACTS AND ISSUES**

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## **CHARITABLE CONTRIBUTIONS**

### **OPTIONS**

1. Ratify the attached rules as City Commission Policy 150 – Retiree Healthcare with a requirement for review in 2018.
2. Provide further direction to Staff.

## **ATTACHMENTS**

Proposed City Commission Policy 150 - Retiree Healthcare

[CityCommissionPolicy150\\_FINAL.pdf \(186 KB\)](#)

## **Administrative Content**

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