

Fiduciary Funds

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Retiree Healthcare Trust

FUND SUMMARY

	FY2018 Final	FY2019 Adopted	FY2019 Adjusted	FY2020 Adopted	Change from Adopted	
					Amount	%
Use of Money & Property	962,678	1,024,000	1,024,000	1,000,000	(24,000)	-2.34%
Other	31,786,905	34,165,052	34,165,052	31,548,119	(2,616,933)	-7.66%
Revenue	\$ 32,749,582	\$ 35,189,052	\$ 35,189,052	\$ 32,548,119	\$ (2,640,933)	-7.50%
Salaries & Benefits	135,761	125,252	125,252	136,660	11,408	9.11%
Gen Operating & Maintenance	30,323,805	32,400,797	32,400,797	29,005,069	(3,395,728)	-10.48%
Transfer Out & Other	-	2,663,003	2,663,003	3,406,390	743,387	27.92%
Expenses	\$ 30,459,566	\$ 35,189,052	\$ 35,189,052	\$ 32,548,119	\$ (2,640,933)	-7.50%

Fund	2019		2020		Change	
	AP	FTE	AP	FTE	AP	FTE
Retiree Healthcare Trust	1.00	1.35	-	1.35	(1.00)	-
Total	1.00	1.35	-	1.35	(1.00)	-

FUND PURPOSE AND GOALS

The fund was created to aid in the financial management activities and to demonstrate legal compliance and allows for the separation of functions and activities related to the administration of retirees. The Retiree Healthcare Trust Fund accounts for revenue generated and expenditures incurred in administering retired employees' group benefits. Fund revenues come from retirees, contributions from city funds and interest on investments.

MAJOR ACCOMPLISHMENTS

- After significant changes to the health plan in FY2018 included changes in plan design, the introduction of employee health centers, direct contracting with a local hospital system, with guarantees around better utilization management, FY2019 saw the expansion of services through the health centers that include free prescriptions and more covered procedures and the introduction of a diabetes and weight-management programs.
- Leveraging a purchasing consortium for better pricing in the pharmacy plan.
- Improvements to Fund subrogation of health claims.
- The City saw significant improvement in the performance of the Fund in FY2018 that continued in FY2019
- Improved health status of employees and retirees through reduction of those considered high risk from 13.5 to 2.5 percent

FY2020 DISCUSSION

The FY2020 Adopted Budget includes the elimination of the retirees' wellness payout and reflects the transition of the health plan for both retired and active fire civil service personnel to the Local 440.

HORIZON ISSUES

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- Rising cost benefits – healthcare, pension, leave, etc.
- Government regulation of pay and healthcare benefits.
- Functionality of electronic systems/ability to automate processes/functions.
- Health status if employees and retirees.