



MEMORANDUM

Council Agenda
Item No. IX. BM
5/23/2023

The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: Craig Freeman, City Manager

Agreement with the Board of Trustees of the Oklahoma City Firefighters Health and Welfare Trust for calendar year 2023, to make arrangements for health insurance coverage for firefighters retiring on or after January 1, 2003.

Purpose:

The purpose of the agreement is to maintain arrangements for health insurance coverage for calendar year 2023, for firefighters retiring on or after January 1, 2003.

Background:

During fiscal year 2002-2003, the IAFF, Local 157, negotiated its bargaining unit's withdrawal from the health and welfare plans provided by the City, effective January 1, 2003.

As a result of this arrangement with the IAFF, the issue arose concerning the health plan eligibility of firefighter retirees. To address this retiree issue, The City of Oklahoma City and the International Association of Fire Fighters, Local 157 (IAFF) negotiated a separate agreement to provide health insurance coverage to firefighters who retired on or after January 1, 2003. Firefighters who retired prior to January 1, 2003, and desired to retain their insurance coverage(s), remained eligible to participate in the City insurance plan(s).

The separate agreement with the Board of Trustees of the Oklahoma City Firefighters Health and Welfare Trust (IAFF VEBA) provided that firefighters who retired on or after January 1, 2003, and desired to retain their insurance coverage, would remain in the IAFF VEBA plan(s) and would no longer be eligible to participate in the City's health and welfare program. Since FY 2002-2003, the City Council has approved an annual contribution, prorated monthly, to the IAFF VEBA plan on behalf of the retiree until the retiree reaches 65 years of age. Upon reaching 65 years of age, the City contribution to the IAFF VEBA plan for that retiree reduces to \$3,500 per year, provided the retiree remains covered by the IAFF VEBA health insurance plan.

The City and the Board of Trustees of the Firefighters Health and Welfare Trust have now negotiated a new agreement, effective January 1, 2023, through December 31, 2023, whereby the City shall remit to the IAFF VEBA, \$9,034.56 per calendar year, prorated monthly, for each firefighter who retired on or after January 1, 2003, and has elected to continue participation in the IAFF's insurance plans. The agreement for the prior year provided for an annual amount of \$9,141.52. The contribution amount for retirees 65 years of age and older remains the same

\$3,500).

Estimated Cost:

\$4,934,435.18

Source of Funds:

General Fund – General Operations – Non Departmental – IAFF Retiree Subsidy (001-0001-9800007-51070010)

Review:

Human Resources Department

Recommendation: Agreement be approved.