

Mayor and Council Communication

DATE: 06/23/20

M&C FILE NUMBER: M&C 20-0423

LOG NAME: 14FIRERETIREETRUSTDEPOSIT

SUBJECT

Authorize Payment of \$1,600,000.00 to the Fort Worth Firefighters Healthcare Trust in Accordance with Article 15 of the Collective Bargaining Agreement, City Secretary Contract Number 40074, Approved April 13, 2010 and successor Agreements and Adopt Appropriation Ordinance (ALL COUNCIL DISTRICTS)

RECOMMENDATION:

It is recommended that the City Council:

- 1) Authorize \$1,600,000.00 to be paid to the Fort Worth Firefighters Healthcare Trust in accordance with Article 15 of the Collective Bargaining Agreement, City Secretary Contract number 40074, approved April 13,2010, and successor Agreements; and
 - 2) Adopt the attached Appropriation Ordinance increasing appropriations in the General Fund from the restricted fund balance in order to pay the Fort Worth Firefighters Healthcare Trust.
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DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to appropriate funds and authorize a payment to the Fort Worth Firefighters Healthcare Trust in the amount of \$1,600,000.00 as outlined in the Collective Bargaining Agreement between the City of Fort Worth and the Fort Worth Professional Firefighters Association (the Association) approved April 13, 2010.

For those hired after January 1,2009, the City decided to no longer subsidize retiree health insurance. In the Collective Bargaining Agreement (attached) approved on April 13, 2010, per Article 15, Retiree Healthcare Benefits, the City agreed to set aside \$1,600,000.00 to be transferred to and held in a VEBA trust for retiree health benefits to benefit those firefighters who were hired on or after January 1, 2009. That obligation continued through the current Collective Bargaining Agreement, City Secretary Contract number 52862, effective July 1, 2019.

In 2018, the Association developed the Firefighters Healthcare Trust (Trust) for the benefit of both active and retired firefighters. In 2019, the Association began running their own healthcare plan. This money is now able to be transferred to the trust for the administration of healthcare benefits for the retirees.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the recommendations and adoption of the attached Appropriation Ordinance, funds will be available in the current operating budget of the General Fund, to support the issuance of the payment. Prior to an expenditure being incurred, the Fire and Human Resources Departments have the responsibility to validate the availability of funds.

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