

**SNOHOMISH COUNTY FIRE DISTRICT #7**

**RESOLUTION #2019-14**

**A RESOLUTION TO RESTATE A RETIREE MEDICAL BENEFIT FOR DISTRICT #7 LEOFF 2 EMPLOYEES**

**WHEREAS**, The Board of Fire Commissioners of Snohomish County Fire District #7 have found it in the best interest of the District and its employees to establish a retiree medical benefit for LEOFF 2 employees;

**WHEREAS**, The Board of Fire Commissioners of Snohomish County Fire District #7 recognize that the cost of health insurance discourages employees from taking retirement prior to age 65;

**WHEREAS**, The Board of Fire Commissioners of Snohomish County Fire District #7 have found that early retirement generates a net salary savings from regular salaries, longevity, and vacation;

**WHEREAS**, The Board of Fire Commissioners of Snohomish County Fire District #7 have determined that replacing employees at retirement age with new employees provides a cost savings that can be shared with retirees by establishing a retiree medical benefit; and

**WHEREAS**, the Board of Fire Commissioners of Snohomish County Fire District #7 has previously entered into a Resolution establishing a retiree medical benefit for District 7 LEOFF 2 employees, and based upon the passage of time and the desire to amend that given the experience of operating under this Resolution;

**NOW THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF FIRE DISTRICT #7, SNOHOMISH COUNTY, STATE OF WASHINGTON THAT:**


1. Employees must be at least 53 years old on the date of their retirement, and their age plus years of service (longevity) at District 7 must equal 78 years or more. Five of those years must be with District 7.
2. The retiree medical benefit program will end after 12 years or upon the employee's eligibility for Medicare, whichever comes first.
3. Employees wishing to retire and utilize this benefit must provide notification to the District by October 1<sup>st</sup> of the preceding year. Notification must include the date of separation/retirement.
4. An Employee who gives notice of retirement to the District, and is approved for the benefit, but then subsequently does not retire on the date specified in the notice, will permanently forfeit their eligibility for this benefit.
5. The medical rate used shall be based upon the retirement medical benefit rate in effect when the employee retires using that year as the base rate plus any increases in the annual inflator. The base rate may be adjusted by resolution every 2 years so long as the medical benefit will continue to generate a net savings for the District and continue to be sustainable from the retirement reserve account.
6. The annual medical benefit rate shall be based on the monthly medical cost(s) for a single employee in the current District medical plan at the time of retirement. An annual inflator, not to exceed the cost of living adjustment (COLA) received by the bargaining unit that represents the position the retiree held at the time of retirement, will be applied each year as needed. If the actual benefit amount increases to a point where it exceeds the formula

for the monthly cost of medical benefits, the remaining premium shall be covered by the retiree. If the medical plan includes a contribution into a HRA type of account, the contribution would be reduced by the difference between the medical rate allotted and the increase in the monthly benefit premium.

7. The formula for calculating the rate shall be the monthly rate for a single employee multiplied by 12<sup>1</sup>. If there are additional costs that coincide with the employee's enrollment in the medical plan, such as an HRA account, the retiree shall be eligible for that contribution as well up to a maximum of \$2,000 annually<sup>2</sup>.
  - a) As an example, if the monthly rate is \$715.00, it would be multiplied by 12 for a total of \$8,580
  - b) As an example, if the monthly rate is \$550.00, it would be multiplied by 12 for a total of \$6,600. In addition to the monthly rate, an HRA type account of an additional \$2,000 would be added to bring the total annual cost to \$8,600.  
$$\$550.00 \times 12 = \$6,600 + \$2,000.00 = \$8,600.00$$
8. Increases in the annual medical benefit rate shall be based upon this formula; however, the annual rate of increase shall not exceed the annual rate of increase in District 7 employee salaries.
9. Each year, the calculated gross savings for each retiree in that year shall be transferred from the current expense fund into the retirement reserve account until the estimated total cost of the retirement medical benefit has been funded. The retirement medical costs each year shall be paid from the retirement reserve fund.
10. This resolution shall become effective on August 22, 2019, provided, however, that the District, through its Board of Fire Commissioners, shall have the unilateral right to modify, change, and/or rescind the Resolution at any time for years following 2019 based upon economic circumstances as determined by the Board of Fire Commissioners.

**ADOPTED AT A MEETING OF THE BOARD OF FIRE COMMISSIONERS, SNOHOMISH COUNTY FIRE DISTRICT #7 THIS 22<sup>ND</sup> DAY OF AUGUST, 2019.**

  
\_\_\_\_\_  
Randy Fay, Commissioner

  
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Roy Waugh, Commissioner

  
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Jeff Schaub, Commissioner

  
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Leslie Jo Wells, Commissioner

  
\_\_\_\_\_  
William Snyder, Commissioner

  
\_\_\_\_\_  
Randall Woolery, Commissioner

ATTEST:  
  
\_\_\_\_\_  
District Secretary

Lake Stevens Fire  
1825 South Lake Stevens Road  
Lake Stevens, WA 98258  
(425) 334-3034  
www.LSfire.org



Snohomish County Fire District 7  
163 Village Court  
Monroe, WA 98272  
(360) 794-7666  
www.Snofire7.org

Michael McConnell, President  
IAFF Local 2781  
PO BOX 12893  
Mill Creek, WA 98082

RE: Retiree Medical Resolution Restatement

Dear Michael:

We are enclosing resolution 2019-14, a reinstatement of 2009-14, a Board resolution regarding the Retiree Medical program. We are doing this, however, with the continued understanding that at any time the Board of Fire Commissioners may change the Resolution, even to the extent of revoking or rescinding it, based upon economic circumstances that then exist. The purpose of this letter is to ensure the Union's continued understanding of this and the Commissioners would therefore request the Union sign off on this letter indicating its understanding that the Resolution may be changed based on the circumstances indicated in the Resolution.

Sincerely,

Roy Waugh, Chairman  
Board of Commissioners  
Snohomish County Fire District #7

IAFF

By: \_\_\_\_\_

Michael McConnell, President