

M-NCPPC RESOLUTION NO. 14-33

APPROVAL OF AN INCREASE OF THE FISCAL YEAR 2015
EMPLOYER CONTRIBUTION FOR THE 115 TRUST FUND

WHEREAS, the Maryland-National Capital Park and Planning Commission (the "Commission") as "Plan Sponsor" entered into an Amended and Restated Post-Retirement Insurance Benefits Program Trust Agreement as of July 1, 2007 ("the Agreement"); and

WHEREAS, Section 1.1 of the Agreement states that the Plan Sponsor shall contribute such amounts as it deems necessary, in its sole discretion, from time to time, to meet its benefit obligations under the Goup Health Insurance Plan ("Plan"). Contributions shall be made to the Trust Fund ("Section 115 Trust Fund") on a periodic basis or in a lump-sum in the discretion of the Plan Sponsor. The Plan Sponsor shall not be required to make contributions unless (and only to the extent) it has obligated itself to do so by resolution; and

WHEREAS, although the Commission expects to continue the Plan, it is the Commission's position that there is no implied contract between employees and the Commission to do so and that the creation of a retiree health benefit was not the product of collective bargaining negotiations. Therefore, the Commission reserves the right at any time and for any reason to amend or terminate the Plan, subject to the needs of the Commission and subject to any applicable collective bargaining; and

WHEREAS, the Plan Sponsor engaged Boomershine Consulting Group, L.L.C. ("the Actuary") to prepare an Other Post-Employment Benefits ("OPEB") report as of July, 1, 2013; and

WHEREAS, the Retiree Healthcare Programs Actuarial Valuation as of July 1, 2013 projected a Fiscal Year 2015 Plan Sponsor contribution totaling \$15,938,000 consisting of \$11,338,000 for current retiree healthcare and \$4,600,000 for prefunding the Section 115 Trust Fund; and

WHEREAS, the Commission, as Plan Sponsor, approved a \$4,588,066, payment to the Section 115 Trust Fund from the Commission and \$11,934 from the M-NCPPC ERS on June 18, 2014 by Resolution 14-21, *Approval Of Fiscal Year 2015 Employer Contribution For Retiree Group Health Insurance*; and

WHEREAS, the updated July 1, 2014 actuarial valuation indicates that the contribution for FY 2015 is 90% of the Annual Required Contributions (ARC);

WHEREAS, M-NCPPC is participating in the Retiree Drug Subsidy ("RDS") Program by the United States Centers for Medicare and Medicaid Services, which will result in the receipt by M-NCPPC of approximately \$500,000 per fiscal year in subsidies intended to defray the costs of providing prescription drug coverage to retirees that would otherwise be eligible to enroll in Medicare Part D prescription coverage; and

WHEREAS, the July 1, 2014 valuation presents the RDS as a revenue to the Section 115 Trust Plan; and

WHEREAS, the Secretary-Treasurer and Executive Director recommend that the RDS program funds be contributed to the Section 115 Trust to enable an increased FY 2015 contribution that is closer to the ARC;

NOW THEREFORE, BE IT RESOLVED, that the Commission, as Plan Sponsor, approves an increase in the total dollar amount of the FY 2015 and FY 2016 contributions to the Section 115 Trust in an amount equivalent to the dollar amount actually received, if any, in subsidies from the RDS Program.

BE IT FURTHER RESOLVED, that the Maryland-National Capital Park and Planning Commission does hereby authorize the Executive Director and other officers to take action as may be necessary to implement this resolution.

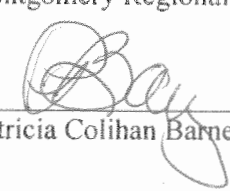
APPROVED AS TO LEGAL SUFFICIENCY


M-NCPPC Legal Department

Date 12/15/14

CERTIFICATION

This is to certify that the foregoing is a true and correct copy of Resolution No. 14-33, adopted by the Maryland-National Capital Park and Planning Commission on motion of Commissioner Wells-Harley, seconded by Commissioner Dreyfuss, with Commissioners Hewlett, Anderson, Bailey, Fani-Gonzalez, and Geraldo voting in favor of the motion, and Commissioners Presley, Shoaff, and Washington absent from the meeting held on Wednesday, December 17, 2014, in the Montgomery Regional Office in Silver Spring, Maryland.


Patricia Colihan Barney, Executive Director