

**City of Providence**

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

**CHAPTER 2011-32**

**No. 422**

**AN ORDINANCE IN AMENDMENT OF CHAPTER 17, ARTICLE VI OF THE CODE OF ORDINANCES, ENTITLED: "RETIREMENT SYSTEM."**

*Approved July 19, 2011*

***Be it ordained by the City of Providence:***

WHEREAS, A fiscal crisis presently exists in the City of Providence, with structural deficits in the current fiscal year requiring lay-offs and other cost-savings measures in order to bring the budget into balance, and projected structural deficits in the coming fiscal years; and

WHEREAS, Personnel costs for city employees and retirees are the most significant costs in the city budget; and

WHEREAS, A significant portion of the city's current and future liabilities result from the payment of pension and post-retiree benefit costs; and

WHEREAS, Estimates of the city's unfunded liability for pension benefit costs are currently \$828,484,533, and unfunded employee post-retiree benefit costs exceed \$1,211,574,962; and

WHEREAS, The city currently provides some employees and retirees medical benefits which are in part duplicative of coverage provided by the federal government, a situation which cannot be permitted to continue in the face of the fiscal crisis;

WHEREAS, The Municipal Financial Review Panel recommended that the City Council enact an ordinance requiring coordination between city-paid post-retirement health benefits and Medicare benefits; and

NOW, THEREFORE, BE IT RESOLVED, That the City of Providence adopts this ordinance to address costs which impact its financial stability.

SECTION I. The Providence Code of Ordinances, Section 17, entitled "Officers and Employees," Article VI, entitled "Retirement System," is hereby amended to add the following section:

Sec. 17-195. - Limits on post-retirement health benefits.

Notwithstanding any other ordinance, collective bargaining agreement, or interest arbitration award:

(1) As a condition of receiving or continuing to receive retirement payments and health benefits, all retired individuals and spouses of retired individuals shall enroll in Medicare immediately upon eligibility. Any health benefits provided by the city to Medicare-eligible individuals shall be secondary to the Medicare benefits.

(2) With the exception of Medicare supplement or gap coverage, the city shall not provide Medicare-eligible retirees or Medicare-eligible spouses of retirees with healthcare benefits. The cost of said Medicare supplement or gap coverage shall be paid by the city and/or retiree as otherwise provided by ordinance or contract.

(3) Nothing contained in this section shall be construed to confer healthcare benefits on a retiree or retiree's spouse which are not otherwise provided by ordinance or contract.

SECTION II. This ordinance shall take effect upon passage.

IN CITY COUNCIL  
JUL 07 2011  
FIRST READING  
READ AND PASSED

Ann Stee CLERK

IN CITY  
COUNCIL  
JUL 18 2011  
FINAL READING  
READ AND PASSED

W. B. ...  
PRESIDENT  
Paul L. ...  
ACTING CLERK

I HEREBY APPROVE.

Agel Thomas  
Mayor

Date: 7/18/11