

**POLICE PENSION BOARD MEETING
(OLD HIRE)
April 7, 1999 10:30 a.m.
Conference Room at Mesa National Bank, 3rd Floor**

The Old Hire Police Pension Board met on Wednesday, April 7, 1999, at 10:30 a.m. in the conference room at Mesa National Bank. Present were Derryl Soden (retired Police Officer), Ron Lappi, Administrative Services Director, and Stephanie Nye, City Clerk. Also present was Claudia Hazelhurst, Human Resources Manager. Mark Achen, City Manager, was absent.

Administrative Services Director Ron Lappi called the meeting to order at 10:42 a.m.

Minutes of Previous Meeting

Administrative Services Director Lappi moved to approve the minutes of the December 19, 1997 meeting. Derryl Soden seconded. Motion carried.

1999 Pension Rates

Human Resources Manager Hazelhurst distributed the 1999 pension rate schedule which was produced using FPPA's system. She noted that the FPPA system for calculation does not work for the City of Grand Junction and she is attempting to get it corrected with FPPA. The problem is that FPPA makes adjustments based on the percentage increase given a rank rather than the dollar increase the rank received. Over time this has resulted in pensioners not receiving half of the current salary which is the rate they should be receiving. Human Resources Manager directed the Board's attention to the spreadsheet. The pension rate is in Column K. She explained the Pre-80 and Post-80 columns (Columns F & G) and stated that FPPA's calculation of Pre-80 and Post-80 service credits, expressed in months rather than years of service, is the more accurate calculation than the one historically used by the City.

Ms. Hazelhurst told the Board that in December those pensioners subject to limited rank escalation and FPPA's COLA were notified that said adjustment would be reflected in their January, 1999 pension check. It appears that several of the adjustments provided to pensioners were in error. Corrections will be made and adjustments will be made retroactively.

Ms. Hazelhurst advised that the only change to the list of recipients is the deletion of Lois Hart, spouse of retiree Robert A. Hart. She passed away in April 1998.

Ms. Hazelhurst requested direction from the Board on the pension for Phyllis Safford. Ms. Safford's pension rate had been tied to the position of Police Records Manager. When this position was significantly changed and retitled during 1996, the Board chose to

set Ms. Safford's pension at 15.98% below the position of Communication Center Manager beginning in 1997. Effective January, 1999 the position of Police Records Manager has been reestablished. Ms. Hazelhurst recommended Ms. Safford's pension rate again be tied to this position since it more closely matches the position held by her former spouse at the time of his retirement. This change will result in a slightly lower pension increase than had the old alignment been maintained.

Administrative Services Director moved to approve the Pension Rates as listed on the April 2, 1999 report with the correction of Phyllis Safford's rate to tie it back to the Records Manager position. Mr. Soden seconded. Motion carried.

Administrative Services Director Lappi moved to authorize the Human Resources Manager to make any changes in the Police Chief pension rate, retroactively. Mr. Soden seconded. Motion carried.

Other Business

Ms. Hazelhurst related that the Old Hire Fire Pension Board had requested that the actuaries look at the financial impact of increasing the widow's pension to 1/3 of the rank from which the member retired. A similar request was made of behalf of the Old Hire Police Pension Plan. The cost to fully fund this benefit improvement would be \$1.7 million, or an annual additional cost of \$202,000. Due to the financial impact and the fact that the Fire Plan is not yet fully funded in its present form, the Fire Board had decided to postpone any benefit improvements until the Plan is actuarially sound. Old Hire Police Pension Board members agreed with this approach as well.

Adjournment

There was no further business. Ron Lappi moved to adjourn. Clerk Nye seconded. The motion carried and the meeting adjourned at 11:00 a.m.

Stephanie Nye, CMC/AE
City Clerk