

GRAND JUNCTION CITY COUNCIL WORKSHOP SUMMARY

December 18, 2017 – Noticed Agenda Attached

Meeting Convened: 5:30 p.m. in the City Hall Auditorium

Meeting Adjourned: 7:06 p.m.

City Council Members present: Councilmembers McArthur, Norris, Traylor Smith, Wortmann, and Mayor Pro Tem Boeschstein.

Staff present: Caton, Shaver, LeBlanc, Romero, Watkins, Nordine, Hazelhurst, Williams, Valentine, and Winkelmann.

Mayor Pro Tem Boeschstein called the meeting to order.

Agenda Topic 1. Discussion Topics

Fire and Police Pension Association of Colorado (FPPA) Presentation on Defined Benefit Pension Plan for Sworn Fire and Police Employees

City Manager Caton introduced the item. Fire and Police employees are currently in the City's money purchase retirement plan administered through the International City Manager's Association Retirement Corporation (ICMA-RC). Fire and Police Department employees have expressed an interest in evaluating retirement options provided by FPPA.

Chief Watkins noted the purposes of tonight's Workshop are to review the request to evaluate retirement options and receive direction from City Council. He noted that the primary motives to evaluate the FPPA Partial Entry plan are:

1. Existing employees can have a choice between one of three FPPA plans or elect to stay in the current ICMA-RC plan;
2. a number of employees believe that the FPPA plan better represents the interest of public safety employees over the City's retirement plan; and
3. a defined benefit plan may help in recruiting and retention of public safety employees.

Field Education and Outreach Managers from FPPA Beth Hemenway and Phil Borgman were present for this discussion. The Fire and Police Pension Association (FPPA) was established January 1, 1980, and administers a statewide multiple employer public employee retirement system, providing defined benefit plan coverage for firefighters and police officers throughout the State of Colorado. At this time, FPPA is permitting employers to partially affiliate where existing firefighters and police officers individually choose to either: remain covered by their local employer's money purchase pension plan or join the FPPA system.

Ms. Hemenway reviewed the differences between FPPA and the Public Employees' Retirement Association (PERA) defined benefit plan. With FPPA, adjustments are ad hoc (not fixed or guaranteed), and the Board of Directors must approve adjustments. The FPPA is highly regarded by the Pension Reform Commission.

Ms. Hemenway provided the following reasons for joining FPPA:

1. FPPA offers a stable, well designed system.
2. Secure and sound pension system.
3. High satisfaction reported by current members.
4. Secure retirement for members.
5. Affordable and valuable plan options.
6. Well-funded defined benefit plans.
7. Statutory safeguards.
8. Helps with retention and succession planning.
9. Defined benefit income supports local economies.

Three alternative plans are available upon affiliation for current employees (sworn personnel only): 1) Statewide Defined Benefit Plan; 2) Statewide Hybrid Plan consisting of both a defined benefit and defined contribution component; and 3) Statewide Hybrid Plan with only a defined contribution plan component. The selection of one of these plans is irrevocable once an election is made.

Ms. Hemenway reviewed 29 statewide departments (police and fire) that have re-entered FPPA programs since 2004.

Discussion ensued about possible next steps, which include:

- Submittal of a non-binding resolution approved by City Council as pension plan provider requesting coverage under FPPA. This begins the conversion planning process where education and individual sessions are provided by FPPA.
- General education sessions are provided by FPPA to eligible employees.
- Completion of individual pension comparisons by FPPA for each employee.
- Final approval by City Council to affiliate and file certification of compliance. Once the certification of compliance is approved by the City, the remaining necessary steps must be completed to affiliate with FPPA.

Ms. Hemenway responded to questions regarding the governance of FPPA and the desire to have a representative from the Western Slope on the board. Board members are appointed by the Governor and confirmed by the Senate.

Discussion ensued about the need for comprehensive retirement planning to ensure retirees have adequate income into their 70's, 80's and 90's. Retirement counseling is offered through Fidelity and all individuals can visit the IRS website to learn about their benefits through social security.

Mr. Borgman stated that FPPA's administration fees are approximately one percent, which is much lower than other plans.

Ms. Hemenway reviewed the safeguards built into the plan if it was determined that the plan was unsound from an actuarial perspective:

1. Review any plan enhancements to determine their impact on the plan's solvency.
2. Increase normal retirement age.
3. Base Supplemental Retirement Accounts (SRAs) could be rolled back.

Council expressed support for the non-binding resolution to be considered in January.

Agenda Topic 2. Next Workshop Topic

Next Workshop Topics February 5, 2018:

- a. Jarvis Property Update
- b. Connect Initiative

The Council took a break at 6:54 p.m. The Workshop resumed at 6:59 p.m.

Other Business

City Manager Caton stated City Attorney Shaver drafted a letter upon Mayor Taggart's request addressed to Senators Bennet and Gardner to state the City's position of support of the Dream Act of 2017. Councilmembers noted they will take time to review the letter.

Councilmember Norris attended the DDA meeting and discussed the annual EPIC Ride event. In 2018, it is estimated that 850 riders will participate.

It was reported that Enstrom Candies shipped about 70,000 orders this holiday season.

Councilmember McArthur reported the area is expected to grow by 60% by 2060.

Adjournment

With no further business the meeting was adjourned.



**GRAND JUNCTION CITY COUNCIL
MONDAY, DECEMBER 18, 2017**

**PRE-MEETING (DINNER) 5:00 P.M. ADMINISTRATION CONFERENCE ROOM
WORKSHOP, 5:30 P.M.
CITY HALL AUDITORIUM
250 N. 5TH STREET**

To become the most livable community west of the Rockies by 2025

1. Discussion Topics

- a. Fire and Police Pension Association of Colorado (FPPA) Presentation on Defined Benefit Pension Plan for Sworn Fire and Police Employees

2. Next Workshop Topics - February 5, 2018

- a. Jarvis Property Update
- b. Connect Initiative

3. Other Business