

OF275002

TYPE OF RECORD: PERMANENT

CATEGORY OF RECORD: MINUTES

CITY DEPARTMENT: ADMINISTRATIVE SERVICES

YEAR: 1975

FIREMEN'S PENSION BOARD

February 28, 1975

The Grand Junction Firemen's Pension Board met at 8:15 a.m. with City Manager Harvey Rose presiding. Other Board members present were Victor Vance, Clarence Cooper, Cecil Campbell, Eldon Avery, and Pat Bittle. City Attorney Gerald Ashby and Richard Smith of the Trust Department, First National Bank were also present.

The meeting was called to order by Harvey Rose. The first item on the agenda was the question regarding the method the Board had elected to recover the overpayments to Mrs. Bennett and Mrs. Cerney. Gerald Ashby pointed out that the overpayment was the mistake of the Board and not that of the recipients. Therefore, he made the suggestion that rather than attempting to recover the entire overpayment in a one-year period the Board accept a note from the recipients to pay the money back to the Pension Fund at the rate of ten dollars a month. He further suggested that the note be secured.

It was moved by Eldon Avery and seconded by Cecil Campbell that we propose a note to Mrs. Bennett and Mrs. Cerney which would provide a payback schedule of ten dollars a month for the amount that has been overpaid and that the notes be secured. The motion carried unanimously. It was understood that Vic Vance would provide Mr. Ashby the amounts that were being discussed and that Mr. Ashby would complete the transactions with the parties involved.

Vic Vance reminded the Board members that he had distributed to them proposed legislation concerning Firemen's Pension Funds. He read the list of members of the Task Force who participated in the development of this bill (See attachment #1). To clarify the bill, he read from the Colorado Municipal League Newsletter the following:

1. State matching of local (employer and employee) contributions up to the equivalent of one-half mill (presently the state pro-rates a total appropriation of \$1.85 million, which last year represented about 75% of one-half mill matching.)
2. State matching of local (employer and employee) contributions up to the equivalent of one mill in municipalities which provide "escalator" benefits to their firemen.
3. Elimination of present statutory ceilings on contributions by municipalities and fire protection districts to local pension funds.
4. A mandatory contribution by paid firemen of 6% of salary to the local pension fund. In cities over 100,000, the mandatory contribution by paid firemen would be phased up to 6% by 1978. (Presently paid firemen in cities under 100,000 can be required to contribute up to 6%, as determined locally, and paid firemen in cities over 100,000 are limited to a 3 1/2% contribution.)

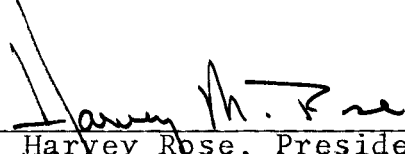
5. A mandatory contribution by municipalities and fire districts which have entirely paid departments equivalent to a one-half mill contribution. (This requirement can be waived if the governmental entity, based upon a certified actuarial study, can show that a lesser contribution level will keep the fund actuarially sound.)
6. Authority for municipalities under 100,000 to provide, at the municipality's option: No escalator benefits, in-grade escalator benefits, or escalator benefits based on cost of living indexes. (Present law allows such municipalities to provide at their option in-grade escalator benefits, but the cost of living option is not available. Furthermore, this provision would allow cities which hereafter reach 100,000 to provide a cost of living escalator rather than the in-grade escalator presently required. This is thought to allow a less expensive form of escalation.)

He further stated that nothing was required of the Board but, we could recommend to Council the adoption of a resolution to support it. It was the recommendation of Harvey Rose that the members carefully review the bill. The Secretary to the Board will then poll the members, and if there is a consensus of approval, the Board will take it to Council for their support.

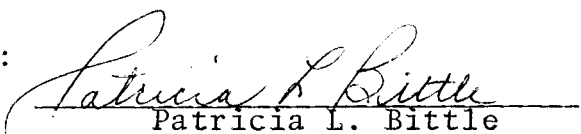
Richard Smith presented to the Board the Annual Trust Statement from January 1, 1974, to December 31, 1974 (copy attached). He pointed out that the overall plan is down again by approximately 6%. The fund does have \$1,396.51 in cash. Last year's statement depicted approximately \$5,000 overdrawn. Total contributions amounted to \$526,092.69 and total distributions were in the amount of \$227,813.67. 1973 value was \$478,140.29 with current value being \$453,590.56. A discussion followed. Vic Vance pointed out that there are problems with the actuarial soundness of the Fire Pension Fund. He stated that a recommendation to conduct the study will be made at the next meeting.

The final item on the agenda was the election of officers. Cecil Campbell was elected as President and Harvey Rose as Vice President and Secretary to the Board.

There being no further business, the meeting adjourned.


Harvey Rose, President

ATTEST:


Patricia L. Bittle
Secretary to the Board