

OFR84003

TYPE OF RECORD: PERMANENT

CATEGORY OF RECORD: MINUTES

CITY DEPARTMENT: ADMINISTRATIVE SERVICES

YEAR: 1984

FIRE PENSION BOARD

MEETING MINUTES - March 12, 1984

Members present: Chairman Gary Tharp  
Jack Campbell  
Ed Billings  
Claudia Hazelhurst  
Jerry Ashby  
John Tasker

The meeting was called to order at 9:00 a.m. by Chairman Gary Tharp.

Reading of the minutes of the previous meeting was waived due to the length of time which has lapsed since the last board meeting.

Old business: There was no old business

New business:

A letter has been received from Jim Shue requesting retirement, effective March 30, 1984, and that his pension begin on April 1, 1984. A motion was made to approve this request. Motion passed.

Discussion was held in reference to the question involving pension payment on an employee's payment for accrued unused vacation pay and converted sick leave. Letters have been written by both Mr. Ashby and Mr. Tharp to FPPA in hopes of gaining an answer on this question. Mr. Ashby indicated that the money would be placed in escrow should this matter not be resolved by the time Mr. Shue retires.

There being no further business the meeting was adjourned at 9:18 a.m.

Att. (3)



City of Grand Junction, Colorado 81501

March 9, 1984

250 North Fifth St.,

William Morris, Staff Attorney  
Fire and Police Pension Board  
720 South Colorado Boulevard, Suite 800  
Denver, Colorado 80222

Dear Mr. Morris:

While the Police and Fire Pension Fund has nothing whatever to do with the pay policies and practices of the City of Grand Junction unless the City does not pay into the fund at least the amount which is owing to the fund under the law, I have agreed with members of the City Fire Department to solicit your opinion on a practice of the City in the hope that we may conclude the controversy.

Although the definite time period involved is of some dispute, for some years, upon a regular employee's retirement the City has deducted from the lump-sum paid for accrued, unused vacation pay and converted sick leave pay, the state and federal withholding, social security and supplemental retirement, and to policemen and firemen, the state and federal withholding, supplemental retirement (from those who contribute less than ten percent to the Police and Fire Pension Fund) and police and fire pension percentages. In the instance of the regular employee, social security and supplemental retirement are matched by the City. In the case of policemen and firemen, supplemental retirement is matched and the City pays a contribution to the Police and Fire Pension Fund of something in excess of twenty percent, in more than matching the ten percent payment by the individual fireman or policeman, in accordance with the present requirement of the City as to pension fund contributions.

Jim Shue is retiring from the Fire Department under the length of service provisions of the Police and Fire Pension Plan. He objects to the deduction from the lump-sum payment for unused vacation and sick leave of the ten percent for the pension fund; he maintains that if the City deducts the ten percent, he is entitled to have the lump-sum payment considered as his last month's pay for the purpose of establishing the amount of his pension upon retirement. The City believes he is wrong in both instances.

Payments of this kind are no different than any other form of pay from the City. The amounts are computed on the current

William Morris, Staff Attorney  
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hourly rate of pay for the individual. While the City has determined that it will pay the amounts in a lump sum, it could require that the individual go on vacation, paying that individual from the monies until the sum had been exhausted, while making proper deductions, including deductions for the pension fund, from the proceeds as they are paid out. There is a benefit to the retiring individual in the lump-sum payment, and this is why the City has chosen to go this route.


The contention that if the City continues with its deduction practice, the lump-sum payment must be considered for the computation of pension benefit is also without merit. The last month's salary of any individual is established by the budget and pay schedules of the City. In order for an individual's monthly pay to be changed, there must be personnel and budgetary action. There is none here. A person's monthly pay upon retirement is that pay established by the last personnel action form setting his pay.

Very truly yours,

  
Gerald J. Ashby  
City Attorney

GJA:jc

cc:

  
Fred Knowles  
Jim Shue

Gary Tharp  
Chairman Fire Pension Board  
Grand Junction Fire Department  
330 South 6th  
Grand Junction, Colorado 81501

March 8, 1984

Mr. William Morris, Attorney  
Fire and Police Pension Association  
720 South Colorado Blvd., Suite 800  
DENver, Colorado 80222

Dear Mr. Morris,

A dispute exists between the City of Grand Junction and the Members of The Grand Junction Fire Department who remain in the "old hire" Part Four Pension Plan.

The dispute relates to the employers practice of withholding employee contributions to their pension fund from that portion of an employees remuneration which is not considered base salary. Examples of these benefits, which are not included for the purpose of computing retirement benefits, are accrued but unused vacation time and holiday pay.

It is the feeling of the employees an inconsistency exists where contributions are withheld on any part of the salary which is not used to compute retirement benefits. It is my understanding that a letter explaining the employers point of view on this matter is being drafted and will accompany this letter.

In an effort to resolve this issue without litigation we are soliciting information from the Colorado F.P.P.A. on how deductions are calculated in other cities in Colorado. Also any opinion your legal staff may have, based upon knowledge of the Colorado statutes would be greatly appreciated.

Sincerely,



Gary Tharp  
Chairman Fire Pension Board

cc: Gerald Ashby, Acting City Manager  
Claudia Hazelhurst, Personnel Director  
Chief R. T. Mantlo  
Btm. Chief James Shue  
Eng. Ed Billings  
Capt. Jack Campbell

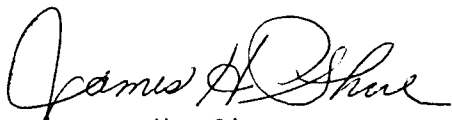


March 1, 1984

City of Grand Junction, Colorado 81501

Fire Pension Board  
Grand Junction Fire Department

As of March 24, 1984, I will be 50 years old with over 24 years of active service with the Grand Junction Fire Department. I am applying for pension benefits beginning April 1, 1984. I am applying for normal pension as a member of the Old Pension plan with the rank of Battalion Chief.

  
James H. Shue  
SS# 522-40-9362

JHS/hc