

OFR89010

TYPE OF RECORD: PERMANENT

CATEGORY OF RECORD: MINUTES

CITY DEPARTMENT: ADMINISTRATIVE SERVICES

YEAR: 1989

FIRE PENSION BOARD MEETING

October 20, 1989

A meeting of the Fire Pension Board was called to order at 11:05 a.m. on January 9, 1989. In attendance were Claudia Hazelhurst, Allen Sartin, Gary Tharp, Tim Bevan, John Patterson, and John Bennett

Minutes

The minutes of the October 20, 1988, meeting were read and approved.

Old Business

Claudia Hazelhurst indicated that she will get additional copies of the handbook for distribution.

New Business

Claudia Hazelhurst distributed the 1989 proposed pension rates for retirees (see attached).

Claudia is waiting to get a decision from FPPA as to when the COLA begins (annually on October 1st or when the City's pay rates change). She would like authorization from the Board with regard to initiating changes when she hears from FPPA in this regard. There was discussion on this issue with preference being that, if possible, we use the date when internal pay rates change.

A motion was made and carried to approve 1989 pension rates and to give Hazelhurst authorization to implement the COLA in accord with FPPA directive.

There was discussion concerning how to compute rank escalation when positions are abolished within the department. Under the Fire Pension statutes governing Cities of 100,000 or more population, it is stipulated that pension for an abolished rank be tied to the percentage it was of the next higher rank at the time the rank was abolished. Allen Sartin suggested that the Board look at identifying the range between Firefighter and Chief and the percentile of that range that was held by given positions at the time of retirement. He suggested this percentile be used for rank escalation purposes. Data needs to be collected and analyzed to see what cost impacts this would have. The Board directed Allen to gather said data and to draft a policy statement on the subject for Board review.

John Patterson said that he has been contacted by several retirees with regard to their health insurance situation. He presented a letter from HMO with the 1989 conversion rates (see attached) which are felt to be prohibitive by most retirees. Claudia expressed her concern over the issue and suggested various avenues which might be pursued including (1) retirees submitting to a health screen for lower premium rates with HMO; (2) setting up a separate plan under HMO for these individuals (Claudia asked that Patterson provide her with the names of individuals carrying the HMO currently, and she will have HMO rate them separately to see what premiums would be under a group of their own); (3) trying to secure health insurance through another carrier; (4) contacting Dennis Buckless (303) 758-8808 who is with Mutual of Omaha and who has worked with FPPA in underwriting a health program for individuals in this situation.

The meeting was adjourned at 12:00 noon.



November 30, 1988

Dear Member:

January 1, 1989 is the annual renewal date for your Rocky Mountain HMO Conversion Plan. This letter gives notice of your plan renewal and information on the monthly rates which will be effective at that time.

As you know, Conversion Plan coverage has traditionally been the only guaranteed option available for group plan members who cease to be eligible for group coverage. Access to such individual coverage without a medical screen has provided medical benefits for people who might otherwise have difficulty obtaining insurance. It has also been the choice for people who are in-between jobs or who are waiting for their new group insurance coverage to become effective.

When the Federal Consolidated Omnibus Budget Reconciliation Act was passed in 1986, a new option became available for individuals leaving group coverage. Called "Continuation of Benefits", this law allows continued access to an Employer's Group Plan for those who have terminated employment or otherwise become ineligible. Though individuals are responsible for paying 100% of the group rate, it is still a major reduction in cost from traditional conversion plans.

While the new law has benefited those who have left group coverage since it was passed, it has had a dramatic and unfortunate effect on the membership in conversion plans and on the rates. First, it has decreased the Conversion Plan membership. Most individuals now leaving groups are opting for continuation of group coverage instead of selecting the Conversion Plan. As a result, only about 50 individuals remain on the RMHMO Conversion Plan. With few exceptions, they are people who left group coverage prior to the new law and those whose medical conditions severely limit insurance options. The small number of Conversion Plan members, their extremely high incidence of medical cost and the elimination of new members who might bring a balance to the medical risk have all adversely impacted the RMHMO Conversion Plan rates.

The following monthly rates for the period January 1, 1989 through December 31, 1989 have been certified by an actuary and submitted to the Colorado Division of Insurance according to State regulations.

<u>Plan</u>	<u>Single</u>	<u>Double</u>	<u>Family</u>
Conversion	\$363.00	\$726.00	\$963.00

FIRE PENSION
January 1, 1989

NAME	DATE RETIRED	RETIRED CLASS	O/O	RETIRED GROSS	ESCALATED GROSS 01/01/89	ACCUMULATED CHANGE 01/01/89	% OF FULL RANK ESCALATION	% OF LTD. RANK ESCALATION	PENSION AMOUNT 01/10/89
RETIREES PRIOR TO 1968									
Joe I. Brady	01/01/67	Fire Prev. Ch.	1/2	\$591.00					
Carrie Brady	04/17/77	Firefighter	1/3	\$1,038.00	\$2,225.00		100%	0%	\$741.67
Hoyt E. Brown	06/13/64	Firefighter	1/2	\$396.00	\$2,225.00		100%	0%	\$1,112.50
Joe Cerney	06/24/40	Captain	1/2	\$150.00					
Sadie Cerney	03/15/52	Firefighter	1/3	\$310.00					
Sadie Cerney	09/28/88	Deceased							
Kenneth O'Key	06/01/65	Captain	1/2	\$535.00	\$2,948.00		100%	0%	\$1,474.00
Clarence Plowman	04/17/59	Captain	1/2	\$415.00	\$2,948.00		100%	0%	\$1,474.00
Carl M. Shriver	10/27/65	Firefighter	1/2	\$416.00					
Louise T. Shriver	11/28/86	Firefighter	1/3	\$2,020.00	\$2,225.00		100%	0%	\$741.67
RETIREES SINCE 1968									
Eldon Avery	07/05/87	Captain	1/2	\$2,752.00	\$2,948.00	\$196.00	75%/\$73.50	25%/\$21.00	\$1,470.50
John F. Bennett	06/19/73	Captain	1/2	\$930.00					
Mrs. Bennett	06/19/73	Firefighter	1/3	\$709.00	\$2,225.00	\$1,516.00	100%	0%	\$741.67
Edward Billings	08/19/87	Eng. Mech.	1/2	\$2,246.00	\$2,389.00	\$143.00	100%	0%	\$1,194.50
Jack A. Brandhorst	01/23/77	Firefighter	‡	\$1091.00+(\$988)	\$2,225.00	\$1,237.00	100%	0%	\$640.21
Carl Campbell	08/01/82	Lieutenant	1/2	\$2,102.00	\$2,677.00	\$575.00	100%	0%	\$1,338.50
Cecil C. Campbell	05/21/85	Captain	1/2	\$2,646.00	\$2,948.00	\$302.00	100%	0%	\$1,474.00
James L. Campbell	09/19/86	Batt. Chief	1/2	\$2,959.00	\$3,246.00	\$287.00	100%	0%	\$1,623.00
Jerrell W. Capps	12/24/79	Firefighter	1/2	\$1,198.00	\$2,225.00	\$1,027.00	100%	0%	\$1,112.50
Clarence L. Cooper	11/13/79	Eng. Mech.	1/2	\$1,355.00	\$2,389.00	\$1,034.00	100%	0%	\$1,194.50
Dale L. Dean	06/01/87	Eng. Mech.	1/2	\$2,246.00	\$2,389.00	\$143.00	100%	0%	\$1,194.50
Albert H. Gavin	12/31/71	Eng. Mech.	1/2	\$661.00					
Mrs. Gavin		Firefighter	1/3	\$1,987.00	\$2,225.00	\$238.00	100%	0%	\$741.67
William J. Geary, Jr.	01/06/86	Captain	1/2	\$2,646.00	\$2,948.00	\$302.00	100%	0%	\$1,474.00
Charles I. Griffith	10/30/79	Batt. Chief	1/2	\$1,735.00	\$3,246.00	\$1,511.00	100%	0%	\$1,623.00
Orville D. Hannigan	04/15/73	Eng. Mech.	1/2	\$744.00	\$2,389.00	\$1,645.00	100%	0%	\$1,194.50
Gregory R. Hazelhurst	03/17/80	Paramedic	1/2	\$1493.00+(\$1421)	\$2,449.00	\$1,028.00	100%	0%	\$1,260.50
Wallace Irwin	02/01/87	Lieutenant	1/2	\$2,499.00	\$2,677.00	\$178.00	100%	0%	\$1,338.50
Fred Knowles	01/12/85	Lieutenant	1/2	\$2,397.00	\$2,677.00	\$280.00	100%	0%	\$1,338.50
Frank E. Kreps	12/31/73	Chief	1/2	\$1,168.00					
Frank E. Kreps	10/12/88	Deceased							
William E. McCurry	03/16/72	Firefighter	1/2	\$665.00	\$2,225.00	\$1,560.00	100%	0%	\$1,112.50
Carrol M. McKissen	10/08/73	Firefighter	1/2	\$709.00					
Mrs. McKissen		Firefighter	1/3	\$1,987.00	\$2,225.00	\$238.00	100%	0%	\$741.67
Robert T. Mantlo	04/15/86	Chief	1/2	\$3,450.00	\$4,053.00	\$603.00	100%	0%	\$2,026.50
Wayne A. Marks	08/01/79	Captain	1/2	\$1,611.00	\$2,948.00	\$1,337.00	100%	0%	\$1,474.00
Claude W. Moore	10/15/69	Captain	1/2	\$661.00	\$2,948.00	\$2,287.00	100%	0%	\$1,474.00
Wesley Painter	01/15/88	Oper. Chief	1/2	\$3,121.00	\$3,246.00	\$125.00	100%	0%	\$1,623.00
Jack F. Schmidt	09/22/79	Asst. Chief	1/3	\$772.00					
Alice K. Schmidt	09/22/79	Firefighter	1/3	\$1,258.00	\$2,225.00	\$967.00	100%	0%	\$741.67
James Shue	03/30/84	Batt. Chief	1/2	\$2,921.00	\$3,246.00	\$325.00	100%	0%	\$1,623.00
Wayne C. Smith	08/05/88	Adm. Fire Off.	1/2	\$2,835.00	\$2,948.00	\$113.00	70%/\$39.55	30%/\$0	\$1,457.05
Gene A. Thye	04/21/78	Captain	1/2	\$1,498.00	\$2,948.00	\$1,450.00	100%	0%	\$1,474.00
James Vanlandingham	07/01/74	Batt. Chief	1/2	\$1,078.00	\$3,246.00	\$2,168.00	100%	0%	\$1,623.00

‡ = .55 of general pension
+ = educational incentive

which has been abolished or has ceased to exist, shall have his benefits as above described recomputed, and any additional moneys to which he is entitled shall be paid to him as if this provision were in effect at the date of his application for retirement.

(b) The provisions of this subsection (3) shall apply alike to all those who retired under this section and to those who retire under the provisions of section 31-30-508.

Source: R & RE, L. 75, p. 1235, § 1.

Am. Jur.2d. See 60 Am. Jur.2d, Pensions and Retirement Funds, § 43.

C.J.S. See 62 C.J.S., Municipal Corporations, § 614.

Despite age and length of service requirements being satisfied, board still has discretion. Although the conditions of this section with respect to age and length of service have been fulfilled, the board of trustees has the discretionary power exercised to deny a petition for retirement. *Bedwell v. Board of Trustees*, 114 Colo. 475, 166 P.2d 994 (1946).

Escalator clause adjusts pension to keep pace with cost of living. Provision in subsection (3)(a) that "such officer or member shall receive one-half of any increase in salary and

longevity pay or additional pay based on length of service granted to the next higher rank or grade in such department multiplied by the fraction as above computed" is known as an escalator clause and is intended to automatically adjust pension payments to keep pace with cost of living and wage increases. *Huff v. Mayor & City Council*, 182 Colo. 108, 512 P.2d 632 (1973).

No authority to alter eligibility requirements. An administrative body does not have discretionary powers to alter eligibility requirements for retirement pension benefits which have been mandated by the general assembly. *Bonacci v. City of Aurora*, 642 P.2d 4 (Colo. 1982).

31-30-512. Funeral expenses. When an active or retired fireman dies without necessary funeral expenses, the board shall appropriate from the fund a sum not exceeding one hundred dollars to the surviving spouse or family or other person paying said expenses for the purpose of assisting the proper burial of said deceased member.

Source: R & RE, L. 75, p. 1236, § 1; L. 77, p. 303, § 25.

31-30-513. Person entitled to pension. No person is entitled to receive any pension from said fund except regularly retired officers, members, or employees of said fire department and their surviving spouses and children under the age of eighteen years.

Source: R & RE, L. 75, p. 1236, § 1; L. 77, p. 303, § 26.

Am. Jur.2d. See 60 Am. Jur.2d, Pensions and Retirement Funds, § 46.

C.J.S. See 62 C.J.S., Municipal Corporations, § 614; 70 C.J.S., Pensions, § 4.

31-30-514. Custodian of funds - books and accounts. The treasurer of the board, as provided in section 31-30-502, and the custodian appointed by the board pursuant to section 31-30-506 shall be the custodians of said pension fund, shall secure and safely keep the same, subject to the control and direction of the board, and shall keep books and accounts concerning said fund in such manner as may be prescribed by the board. The books and accounts shall always be subject to the inspection of the board, or any member thereof, or any other interested person. Said treasurer or custodian,

upon expiration of his term of office shall deliver to his successor all bonds and other property which has come into the hands of said fund.

Source: R & RE, L. 75, p. 1237.

C.J.S. See 62 C.J.S., Municipal Corporations, § 614.

31-30-515. Warrants drawn. Warrants drawn by the city and county as are designated in section 31-30-515 shall be drawn on the treasurer of said city or county or on the treasurer of said board, for all funds belonging to said city or county.

Source: R & RE, L. 75, p. 1237.

31-30-516. Warrants - how signed. No warrant shall be drawn on the fund to any person shall be signed by the president of said city or county thereof. No warrant shall be drawn on the fund unless it has been duly entered on the records of said city or county.

Source: R & RE, L. 75, p. 1237.

31-30-517. Report of board. The board shall make an annual report to the governing body of the city or county reporting the condition of said fund.

Source: R & RE, L. 75, p. 1237.

31-30-518. Fund not subject to attachment. After its order for distribution by the board, the fund shall be held, seized, taken, subject to any attachment, execution, in rem, or decree, or process or proceeding of this state for the payment of debt, damage, claim, demand, or judgment against the fund. No pension or any part thereof shall be held and for no other purpose whatever.

Source: R & RE, L. 75, p. 1237.

31-30-519. Counsel - municipal attorney. The municipal attorney shall give advice to the board and management of said fund and shall act as its attorney in all suits and proceedings involving said board as its attorney in all suits and proceedings involving said board.