

OF294010

TYPE OF RECORD: PERMANENT

CATEGORY OF RECORD: MINUTES

CITY DEPARTMENT: ADMINISTRATIVE SERVICES

YEAR: 1994

MINUTES
OLD HIRE FIRE PENSION BOARD
October 31, 1994

A meeting of the Old Hire Fire Pension Board was called to order by Chairman Tim Bevan at 9:10 a.m. on October 31, 1994 in City Hall Conference Room A. Board members present were Tim Bevan, Glenn Crespin, Mike Petersen, Ron Lappi, R.T. Mantlo and Claudia Hazelhurst. Also present was Assistant City Attorney John Shaver.

R.T. Mantlo moved that the minutes of the August 8, 1994 meeting be approved as submitted. Ron Lappi stated that the remarks attributed to him in the fourth paragraph, sixth sentence should be amended to read: "Ron Lappi said the Board should have informed the remaining three captains (Marks, Thye, O'Key) that in 1990 the change was made." Lappi further stated that a sentence should be added to the end of the fourth paragraph to read: "Gene Thye and Wayne Marks left the meeting at this point and were informed that they would be notified by letter from Claudia Hazelhurst of the Board's decision." R.T. Mantlo moved to accept the minutes of the August 8, 1994 meeting as amended. Ron Lappi seconded the motion and the minutes were approved.

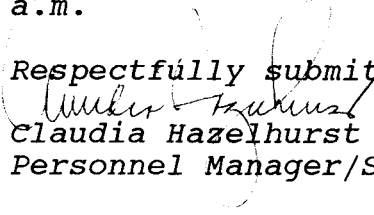
The Board discussed the supplemental actuarial study which had been prepared and submitted by Amy Timmons, FPPA actuary. The most recent study included the costs associated with the various amendments proposed by the Board. Lappi discussed the major revisions which are being worked on state-wide to address the unfunded liability of the Old Hire plans. Tim Bevan suggested the Board not pursue these or other amendments which increase costs to the Plan until the unfunded liability problems have been resolved. Glenn Crespin moved to table plan amendments which impose costs to the plans until plan funding is under control. The motion was seconded by Ron Lappi and passed unanimously.

Ron Lappi moved, R.T. Mantlo seconded and the Board approved going into executive session to discuss the pending litigation brought by Gene Thye. The Board reconvened from executive session and directed the City Attorney's office to contest the lawsuit. The Board felt comfortable with the distinction it made in interpreting rank as being job duties versus job title. The Board directed the City Attorney's office to proceed accordingly.

Tim Bevan asked if there was a governing Board for the 401 plans with ICMA. Claudia Hazelhurst said no internal Boards were established for those plans although the Old Hire Pension Boards would likely be involved in decisions effecting those plans. In response to a question about the availability of loans under the ICMA 401 plan, Hazelhurst said loans were not allowed under the current agreement and that said agreement would require City Council approval to amend.

There being no further business, the meeting adjourned at 10:35 a.m.

Respectfully submitted,


Claudia Hazelhurst
Personnel Manager/Secretary

AMENDED MINUTES
OLD HIRE FIRE PENSION BOARD
AUGUST 8, 1994

A meeting of the "Old Hire" Fire Pension Board was called to order at 9:05 a.m. Members present were Tim Bevan, Mike Petersen, Glenn Crespin, RT Mantlo, Ron Lappi and Claudia Hazelhurst. Retired Captains Gene Thye and Wayne Marks were also in attendance.

Minutes

Glenn Crespin moved the minutes of the June 6, 1994 meeting be approved as submitted. Claudia Hazelhurst seconded, and the motion carried.

New Business

Tim Bevan asked that the Board start with new business so the two retired captains who were in attendance would not be further detained. Retired Captain Gene Thye presented a letter to the Board dated August 2, 1994 stating that he felt he was being discriminated against because retired captains Jim Geary and Cecil Campbell were receiving a higher pension than he and other retired captains. It was explained that in 1990 there had been lengthy discussions about Campbell and Geary and the Board approved their request to have their rank escalation tied to AFO-Shift Commander because that was the function they were performing prior to retirement even though their titles had not changed. Ron Lappi stated that the title at which one retired was not the issue in determining rank escalation but rather the duties employees actually performed prior to their retirement. Thye and Marks argued that state statute states that rank escalation is based upon the rank from which one retires and that rank means title. Hazelhurst reiterated that it is the Board's opinion that rank is broader than title. Bevan said the governing Board had the power to interpret rank and this Board interpreted it as job duties not title.

Marks asked how the captain's pension amount was determined. Hazelhurst explained that in 1990 the Board arrived at a formula for establishing rank escalation for captains since that position no longer existed. The formula is 10.37% below an AFO which represented the difference in pay between Captain and Battalion Chief (AFO) at the time both positions were abolished and duties reorganized. Marks asked that the retirees be informed of changes. It was agreed that after pensions are approved by the Board each year, a newsletter would be sent by the Board through FPPA to all pensioners. Ron Lappi said the Board should have informed the remaining three captains (Marks, Thye, O'Key) that in 1990 the change was made. Mike Petersen suggested that a letter also be sent to retired Battalion Chiefs to inform them of the change in Wes Painter's pension. Gene Thye and Wayne Marks left the meeting at this point and were informed that they would be notified by letter from Claudia Hazelhurst of the Board's decision.

Bevan asked the Board to have one vote on this issue so as to cover any similar future requests from other retired captains. Ron Lappi moved that the written request by Gene Thye dated August 2, 1994 to have his and other retired Captains pensions increased and tied to the rank of AFO-Shift Commander be denied and written notice be sent to Gene Thye, Wayne Marks and Kenneth O'Key of this decision. Claudia Hazelhurst seconded and the motion carried. Claudia said she will notify the captains of the decision.

Old Business

Discussion was had about the supplemental actuarial study which included cost for the three amendments being considered by the Board. However, the cost of the options were not broken out separately, so Claudia informed the Board that she has asked Amy Timmons of FPPA to provide costs for each individual amendment. Ron Lappi said that since these proposed amendments carry additional costs to the plan, the City would have to pick up any additional cost and Council would have to approve it. Bevan reviewed the options with RT Mantlo and asked what he thought council would do. Mantlo said this is not a good time given the fact that the Plan already has a significant unfunded liability and would prefer not to ask Council at this time. Tim Bevan did say that the option of retiring at 20 years of service and receiving no pension until age 50 would be no cost to the city. Claudia suggested the Board delay any decision until the new costs breakdowns are done. It was agreed to table this decision.

The meeting adjourned at 10:35 a.m.