



City of Grand Island

Tuesday, January 27, 2015

Council Session

Item I-1

**#2015-28 – Consideration of Authorizing Requests for Proposals
for Management of the Police and Fire Pension Plans**

Staff Contact: Robert Sivick

Council Agenda Memo

From: Robert J. Sivick, City Attorney

Meeting: January 27, 2015

Subject: Consideration of Authorizing Requests for Proposals for Management of the Police and Fire Pension Plans

Item #'s: I-1

Presenter(s): Robert J. Sivick, City Attorney

Background

In 1983 the Nebraska Legislature passed LB237 which contained the Police Officers Retirement Act, codified in Article 10(a) of Chapter 16, §§16-1001 - 1019 of the Nebraska Revised Statutes. That same year in conjunction with the Police Officers Retirement Act, the Legislature also passed LB531 which contained the Firefighters Retirement Act, codified in Article 10(b) of Chapter 16, §§16-1020 – 1042 of the Nebraska Revised Statutes. Both Acts and the resulting statutes addressed issues regarding pensions for police officers and firefighters employed by Cities of the First Class.

Nebraska Revised Statutes §16-1014 states in part,

A retirement committee shall be established to supervise the general operation of the retirement system established pursuant to the Police Officers Retirement Act. The governing body of the city shall continue to be responsible for the general administration of such retirement system unless specific functions or all functions with regard to the administration of the retirement system are delegated, by ordinance, to the retirement committee. Whenever duties or powers are vested in the city or the retirement committee under such sections or whenever such sections fail to specifically allocate the duties or powers of administration of the retirement system, such powers or duties shall be vested in the city unless such powers or duties have been delegated by ordinance to the retirement committee

Nebraska Revised Statutes §16-1034 states in part,

A retirement committee shall be established to supervise the general operation of the retirement system. The governing body of the city shall be responsible for the general administration of such retirement system unless specific functions or all functions with regard to the administration of the retirement system are delegated, by ordinance, to the retirement committee...

Whenever sections 16-1020 to 16-1042 fail to address the allocation of duties or

powers in the administration of the retirement system, such powers or duties shall be vested in the city unless such powers or duties have been delegated by ordinance to the retirement committee.

A search of City records indicates the Grand Island City Council (Council) as the governing body of the City of Grand Island (City) never delegated any authority pursuant to §16-1014 or §16-1034 to the Police or Fire Pension Committees respectively.

On May 5, 2014 a joint meeting of the Police and Fire Pension Committees was held. At that meeting both committees approved resolutions requesting the Council grant authority to the committees to issue Requests for Proposals (RFP) for the management of the respective pension plans. The Resolution before you for consideration tonight will authorize the committees to issue RFPs on a one time basis for management of the plans.

Discussion

The Police and Fire Pension Committees' authority is limited to ministerial duties set forth in Neb. Rev. Stat. §16-1017 and §16-1037 respectively. Any additional authority must be delegated by the Council. Most importantly, the Committee is subordinate to the authority of the Council as the governing body of the City. The Council has in the past two years been reluctant to delegate its authority for general management of the Police and Fire retirement systems. On February 19, 2013 the Council approved Resolution 2013-46 definitively setting forth the authority of the Police Pension Committee and the powers reserved to the Council. Accordingly, the matter before you does not take the form of an Ordinance which would permanently delegate Council authority to the pension committees but a Resolution which would authorize RFPs on a one time basis.

Alternatives

It appears the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve.
2. Refer the issue to a Committee.
3. Postpone the issue to future date.
4. Take no action on the issue.

Recommendation

The City Administration has no recommendation.

Sample Motion

Move to approve.

RESOLUTION 2015-28

WHEREAS, Article 10(a) of Chapter 16 of the Nebraska Revised Statutes sets forth the laws governing the pensions of police officers employed by Cities of the First Class; and

WHEREAS, §16-1014 of the Nebraska Revised Statutes states in part, *A retirement committee shall be established to supervise the general operation of the retirement system established pursuant to sections 16-1001 to 16-1019. The governing body of the city shall continue to be responsible for the general administration of such retirement system unless specific functions with regard to the administration of the retirement system are delegated, by ordinance, to the retirement committee. Whenever duties or powers are vested in the city or the retirement committee under such sections or whenever such sections fail to specifically allocate the duties or powers of administration of the retirement system, such powers or duties shall be vested in the city unless such powers or duties have been delegated by ordinance to the retirement committee.; and*

WHEREAS, Article 10(b) of Chapter 16 of the Nebraska Revised Statutes sets forth the laws governing the pensions of firefighters employed by Cities of the First Class; and

WHEREAS, §16-1034 of the Nebraska Revised Statutes states in part, *A retirement committee shall be established to supervise the general operation of the retirement system. The governing body of the city shall be responsible for the general administration of such retirement system unless specific functions or all functions with regard to the administration of the retirement system are delegated, by ordinance, to the retirement committee... Whenever sections 16-1020 to 16-1042 fail to address the allocation of duties or powers in the administration of the retirement system, such powers or duties shall be vested in the city unless such powers or duties have been delegated by ordinance to the retirement committee.*

WHEREAS, §§16-1017 and 16-1037 of the Nebraska Revised Statutes sets forth specific ministerial duties of the Grand Island Police and Fire Pension Committees respectively and confines those duties to providing information and reports to participants in the Grand Island Police and Fire Retirement Systems and certain governmental officials of the State of Nebraska; and

WHEREAS, the Grand Island City Council as the governing body of the City of Grand Island has never delegated any authority to either the Police or Fire Pension Committees beyond that set forth in §§16-1017 and 16-1037 of the Nebraska Revised Statutes; and

WHEREAS, the authority of both the Police and Fire Pension Committees is subordinate to the authority of the City Council; and

WHEREAS, the members of the Police and Fire Pension Committees are obligated by law and specifically §§16-1014 and 16-1034 of the Nebraska Revised Statutes to implement, adhere to, and obey the policies and directives of the City Council in the administration of the City's Police and Fire Retirement Systems; and

Approved as to Form	□ _____
January 23, 2015	□ City Attorney

WHEREAS, the Council has learned of Resolutions approved by both the Police and Fire Pension Committees seeking authority from the Council for those committees to issue Requests for Proposals for the management of the Police and Fire Pension Plans; and

WHEREAS, the Council believes it acceptable to grant authority on a one time basis to the Police and Fire Pension Committees to issue Requests for Proposals for the management of the Police and Fire Pension Plans, directs City staff to take all necessary action to do so, and limits that authority by requiring any contracts for management of the Police and Fire Pension Plans be approved by the Council no later than December 31, 2015.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA,

That the Police and Fire Pension Committees are granted authority on a one time basis to issue Requests for Proposals for the management of the Police and Fire Pension Plans, City staff is directed to take all necessary action to do so, and such authority will expire once any contracts for management of the Police and Fire Pension Plans are approved by the Grand Island City Council or December 31, 2015, whichever occurs sooner.

Adopted by the City Council of the City of Grand Island, Nebraska, January 27, 2015.

Jeremy L. Jensen, Mayor

ATTEST:

RaNae Edwards, City Clerk