



# City of Grand Island

Tuesday, December 18, 2012

Council Session

## Item I3

### **#2012-367 - Pre-84 Retirees - Public Safety Pension Plans – Remedy Request of Most Recent Retiree Claim**

*This item relates to the aforementioned Ordinance item F-1.*

Staff Contact: Jaye Monter

RESOLUTION 2012-XXX(A)

WHEREAS, Article 10 of Chapter 16 of the Nebraska Revised Statutes sets forth the laws governing the pensions of Police Officers of First Class Cities; and

WHEREAS, Section 16-1007(1) of the Nebraska Revised Statutes requires the City of Grand Island to provide pension benefits to retired police officers “in the form of a straight life annuity or any optional form of annuity benefit established by the retirement committee”; and

WHEREAS, beginning in 2005 the Police Pension Committee stopped calculating police pension benefits based on a straight life annuity and began calculating said benefits based on a joint life annuity; and

WHEREAS, Section 16-1014 of the Nebraska Revised Statutes states in reference to police pension benefits, “[t]he 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.”; and

WHEREAS, the Grand Island City Council as the governing body of the City of Grand Island has never approved the calculation of police retirement benefits based on a joint life annuity nor has delegated that authority or function to the Police Pension Committee by ordinance; and

WHEREAS, the Police Pension Committee calculated the police pension benefits of Sergeant Kerry Cole using a joint life annuity; and

WHEREAS, on November 13, 2012 the Grand Island City Council approved a claim in the amount of Four Hundred, Fifty-Eight Thousand, Nine Hundred, Nineteen Dollars and Thirty-Five Cents (\$458,919.35) as the City’s portion of the lump sum pension payment to Sergeant Cole; and

WHEREAS, the issues of Sergeant Cole’s police pension benefits and police and fire pension benefits in general were the subject of a Study Session meeting of the Council on December 11, 2012; and

WHEREAS, the Council has determined Sergeant Cole has been overpaid for his police pension benefits and such overpayment should be corrected,

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

That by December 31, 2012, City staff, the Police Pension Committee, and Sergeant Cole are directed to recalculate Sergeant Cole’s lump sum pension benefit using a straight life annuity pursuant to the procedure set forth in Section 16-1007(2)(c) of the Nebraska Revised Statutes.

Approved as to Form	☐ _____
December 15, 2012	☐ City Attorney

That once said recalculation is completed, City staff is to make a formal written demand upon Sergeant Cole for reimbursement of the difference between his police pension benefits determined by a joint life annuity and said benefits determined by a straight life annuity.

That the City Legal Department is to use all available methods to insure the City receive reimbursement from Sergeant Cole for the overpayment of his police pension benefits.

Adopted by the City Council of the City of Grand Island, Nebraska, December 18, 2012.

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Jay Vavricek, Mayor

Attest:

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RaNae Edwards, City Clerk

RESOLUTION 2012-XXX(B)

WHEREAS, Article 10 of Chapter 16 of the Nebraska Revised Statutes sets forth the laws governing the pensions of Police Officers of First Class Cities; and

WHEREAS, Section 16-1007(1) of the Nebraska Revised Statutes requires the City of Grand Island to provide pension benefits to retired police officers “in the form of a straight life annuity or any optional form of annuity benefit established by the retirement committee”; and

WHEREAS, beginning in 2005 the Police Pension Committee stopped calculating police pension benefits based on a straight life annuity and began calculating said benefits based on a joint life annuity; and

WHEREAS, Section 16-1014 of the Nebraska Revised Statutes states in reference to police pension benefits, “[t]he 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.”; and

WHEREAS, the Grand Island City Council as the governing body of the City of Grand Island has never approved the calculation of police retirement benefits based on a joint life annuity nor has delegated that authority or function to the Police Pension Committee by ordinance; and

WHEREAS, the Police Pension Committee calculated the police pension benefits of Sergeant Kerry Cole using a joint life annuity; and

WHEREAS, on November 13, 2012 the Grand Island City Council approved a claim in the amount of Four Hundred, Fifty-Eight Thousand, Nine Hundred, Nineteen Dollars and Thirty-Five Cents (\$458,919.35) as the City’s portion of the lump sum pension payment to Sergeant Cole; and

WHEREAS, the issues of Sergeant Cole’s police pension benefits and police and fire pension benefits in general were the subject of a Study Session meeting of the Council on December 11, 2012; and

WHEREAS, the Council has determined it is not in the City’s best interest to pursue any reimbursement from Sergeant Cole for monies received from the City for his police pension benefits,

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that City staff is directed not to make demand upon Sergeant Cole for any reimbursement for monies received from the City for his police pension benefits.

Adopted by the City Council of the City of Grand Island, Nebraska, December 18, 2012.

Approved as to Form	☐ _____
December 15, 2012	☐ City Attorney

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Jay Vavricek, Mayor

Attest:

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RaNae Edwards, City Clerk