



City of Grand Island

Tuesday, December 18, 2012

Council Session

Item I4

#2012-368 - Pre-84 Retirees – Public Safety Pension Plans – Remedy of Past Claims for Police

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

Staff Contact: Jaye Monter

R E S O L U T I O N 2012-368 (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, Nebraska law generally limits the filing of a suit to four years from the event that gave rise to the cause of action;

WHEREAS, within the last four years the City has paid police pension benefits to Rick Ressel, Dennis Osterman, Roger Philbeck, and Kerry Cole based on a joint life annuity; and

WHEREAS, the issue of police pension benefits was the subject of a Study Session meeting of the Council on December 11, 2012; and

WHEREAS, the Council has determined Messrs. Ressel, Osterman, Philbeck, Cole, were overpaid for their respective police pension benefits and such overpayments 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 Messrs. Ressel, Osterman, Philbeck, and Cole are directed to recalculate the lump sum pension benefits of said retirees using a straight life annuity pursuant to the procedure set forth in Section 16-1007(2)(c) of the Nebraska Revised Statutes.

That once said recalculations for the individual retirees listed above are completed, City staff is

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December 15, 2012	☐ City Attorney

to make formal written demands upon the above listed retirees for reimbursement of the difference between each retiree's pension benefits determined by a joint life annuity and 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 each of the above listed retirees for the overpayment of their pension benefits.

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

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk

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R E S O L U T I O N 2012-368 (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 or fire retirement benefits based on a joint life annuity nor has delegated that authority or function to the Police Pension Committee by ordinance; and

WHEREAS, Nebraska law generally limits the filing of a suit to four years from the event that gave rise to the cause of action;

WHEREAS, within the last four years the City has paid police pension benefits to Rick Ressel, Dennis Osterman, Roger Philbeck, and Kerry Cole based on a joint life annuity; and

WHEREAS, the issue of police pension benefits was 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 Messrs. Ressel, Osterman, Philbeck, Cole, for monies received from the City for the pension benefits provided to said retirees,

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 Messrs. Ressel, Osterman, Philbeck, Cole, for any reimbursement for monies received from the City for pension benefits provided to said retirees.

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December 15, 2012	☐ City Attorney

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

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk